

# Union Calendar No. 155

108TH CONGRESS  
1ST SESSION

## H. J. RES. 63

**[Report No. 108–262, Parts I, II, and III]**

To approve the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Federated States of Micronesia”, and the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands”, and otherwise to amend Public Law 99–239, and to appropriate for the purposes of amended Public Law 99–239 for fiscal years ending on or before September 30, 2023, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

JULY 8, 2003

Mr. LEACH (for himself, Mr. POMBO, Mr. RAHALL, Mr. HYDE, Mr. LANTOS, and Mr. FALEOMAVAEGA) (all by request) introduced the following joint resolution; which was referred to the Committee on International Relations, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

SEPTEMBER 4, 2003

Reported from the Committee on International Relations with an amendment

[Strike out all after the resolving clause and insert the part printed in *italic*]

SEPTEMBER 4, 2003

Referral to the Committee on Resources extended for a period ending not later than September 15, 2003

SEPTEMBER 4, 2003

Referred to the Committee on the Judiciary for a period ending not later than September 15, 2003, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(k), rule X

SEPTEMBER 15, 2003

Reported from the Committee on Resources with an amendment

[Strike out all after the resolving clause and insert the part printed in boldface roman]

SEPTEMBER 15, 2003

Reported from the Committee on the Judiciary with an amendment; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[Strike out all after the resolving clause and insert the part printed in italic]

[For text of introduced joint resolution, see copy of joint resolution as introduced on July 8, 2003]

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## JOINT RESOLUTION

To approve the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Federated States of Micronesia”, and the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands”, and otherwise to amend Public Law 99–239, and to appropriate for the purposes of amended Public Law 99–239 for fiscal years ending on or before September 30, 2023, and for other purposes.

Whereas the United States, in accordance with section 231 of the Compact of Free Association set forth in Title II of Public Law 99–239, January 14, 1986, 99 Stat. 1770, entered into negotiations with the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands; and

Whereas these negotiations, in accordance with section 431 of the Compact, resulted in the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Federated

States of Micronesia”, and the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands”, which, together with their related agreements, were signed by the Government of the United States and the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands on May 14, and April 30, 2003, respectively: Now, therefore, be it

1        *Resolved by the Senate and House of Representatives*  
 2        *of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4        (a) *SHORT TITLE.*—*This joint resolution, together*  
 5        *with the Table of Contents in subsection (b) of this section,*  
 6        *may be cited as the “Compact of Free Association Amend-*  
 7        *ments Act of 2003”.*

8        (b) *TABLE OF CONTENTS.*—*The table of contents for*  
 9        *this joint resolution is as follows:*

*TITLE I—APPROVAL OF U.S.-FSM COMPACT AND U.S.-RMI COMPACT;  
 INTERPRETATION OF, AND UNITED STATES POLICIES REGARD-  
 ING, U.S.-FSM COMPACT AND U.S.-RMI COMPACT; SUPPLEMENTAL  
 PROVISIONS*

*Sec. 101. Approval of U.S.-FSM Compact of Free Association and U.S.-RMI  
 Compact of Free Association.*

- (a) Federated States of Micronesia.*
- (b) Republic of the Marshall Islands.*
- (c) References to the Compact, the U.S.-FSM Compact and the U.S.-RMI Compact.*
- (d) Amendment, Change, or Termination in the U.S.-FSM Compact, the U.S.-RMI Compact and Certain Agreements.*
- (e) Subsidiary Agreement Deemed Bilateral.*
- (f) Entry Into Force of Future Amendments to Subsidiary Agreements.*

*Sec. 102. Agreements With Federated States of Micronesia.*

- (a) Law Enforcement Assistance.*
- (b) Agreement on Audits.*

*Sec. 103. Agreements With and Other Provisions Related to the Republic of the  
 Marshall Islands.*

- (a) *Law Enforcement Assistance.*
- (b) *EJIT.*
- (c) *Section 177 Agreement.*
- (d) *Nuclear Test Effects.*
- (e) *Espousal Provisions.*
- (f) *DOE Radiological Health Care Program; USDA Agricultural and Food Programs.*
- (g) *Rongelap.*
- (h) *Four Atoll Health Care Program.*
- (i) *Enjebi Community Trust Fund.*
- (j) *Bikini Atoll Cleanup.*
- (k) *Agreement on Audits.*

*Sec. 104. Interpretation of and United States Policy Regarding U.S.-FSM Compact and U.S.-RMI Compact.*

- (a) *Human Rights.*
- (b) *Immigration and Passport Security.*
- (c) *Nonalienation of Lands.*
- (d) *Nuclear Waste Disposal.*
- (e) *Effect of U.S.-FSM Compact and U.S.-RMI Compact on U.S. Areas; Related Authorization and Continuing Appropriation.*
- (f) *Foreign Loans.*

*Sec. 105. Supplemental Provisions.*

- (a) *Domestic Program Requirements.*
- (b) *Relations With the Federated States of Micronesia and the Republic of the Marshall Islands.*
- (c) *Continuing Trust Territory Authorization.*
- (d) *Survivability.*
- (e) *Noncompliance Sanctions.*
- (f) *Continuing Programs and Laws.*
- (g) *College of Micronesia.*
- (h) *Trust Territory Debts to U.S. Federal Agencies.*
- (i) *Use of DOD Medical Facilities.*
- (j) *Technical Assistance.*
- (k) *Prior Service Benefits Program.*
- (l) *Indefinite Land Use Payments.*
- (m) *Communicable Disease Control Program.*
- (n) *User Fees.*
- (o) *Treatment of Judgments of Courts of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.*

*Sec. 106. Construction Contract Assistance.*

- (a) *Assistance to U.S. Firms.*
- (b) *Authorization of Appropriations.*

*Sec. 107. Limitations. Prohibition.*

*Sec. 108. Compensatory Adjustments.*

- (a) *Additional Programs and Services.*
- (b) *Further Amounts.*

*Sec. 109. Authorization and Continuing Appropriation.*

*Sec. 110. Payment of Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau Employed by the Government of the United States in the Continental United States.*

**TITLE II—COMPACTS OF FREE ASSOCIATION WITH THE FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS**

*Sec. 201. Compacts of Free Association, as Amended.*

*(a) Compact of Free Association as amended between the Government of the United States of America and the Government of the Federated States of Micronesia.*

*Title One—Governmental Relations*

*Article I—Self-Government.*

*Article II—Foreign Affairs.*

*Article III—Communications.*

*Article IV—Immigration.*

*Article V—Representation.*

*Article VI—Environmental Protection.*

*Article VII—General Legal Provisions.*

*Title Two—Economic Relations*

*Article I—Grant Assistance.*

*Article II—Services and Program Assistance.*

*Article III—Administrative Provisions.*

*Article IV—Trade.*

*Article V—Finance and Taxation.*

*Title Three—Security and Defense Relations*

*Article I—Authority and Responsibility.*

*Article II—Defense Facilities and Operating Rights.*

*Article III—Defense Treaties and International Security Agreements.*

*Article IV—Service in Armed Forces of the United States.*

*Article V—General Provisions.*

*Title Four—General Provisions*

*Article I—Approval and Effective Date.*

*Article II—Conference and Dispute Resolution.*

*Article III—Amendment.*

*Article IV—Termination.*

*Article V—Survivability.*

*Article VI—Definition of Terms.*

*Article VII—Concluding Provisions.*

*(b) Compact of Free Association as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands.*

*Title One—Governmental Relations*

*Article I—Self-Government.*

*Article II—Foreign Affairs.*

*Article III—Communications.*

*Article IV—Immigration.*  
*Article V—Representation.*  
*Article VI—Environmental Protection.*  
*Article VII—General Legal Provisions.*

*Title Two—Economic Relations*

*Article I—Grant Assistance.*  
*Article II—Services and Program Assistance.*  
*Article III—Administrative Provisions.*  
*Article IV—Trade.*  
*Article V—Finance and Taxation.*

*Title Three—Security and Defense Relations*

*Article I—Authority and Responsibility.*  
*Article II—Defense Facilities and Operating Rights.*  
*Article III—Defense Treaties and International Security Agreements.*  
*Article IV—Service in Armed Forces of the United States.*  
*Article V—General Provisions.*

*Title Four—General Provisions*

*Article I—Approval and Effective Date.*  
*Article II—Conference and Dispute Resolution.*  
*Article III—Amendment.*  
*Article IV—Termination.*  
*Article V—Survivability.*  
*Article VI—Definition of Terms.*  
*Article VII—Concluding Provisions.*

1 ***TITLE I—APPROVAL OF U.S.-FSM***  
 2 ***COMPACT AND U.S.-RMI COM-***  
 3 ***PACT; INTERPRETATION OF,***  
 4 ***AND U.S. POLICIES REGARD-***  
 5 ***ING, U.S.-FSM COMPACT AND***  
 6 ***U.S.-RMI COMPACT; SUPPLE-***  
 7 ***MENTAL PROVISIONS***

8 ***SEC. 101. APPROVAL OF U.S.-FSM COMPACT OF FREE ASSO-***  
 9 ***CIATION AND THE U.S.-RMI COMPACT OF***  
 10 ***FREE ASSOCIATION; REFERENCES TO SUB-***  
 11 ***SIDIARY AGREEMENTS OR SEPARATE AGREE-***  
 12 ***MENTS.***

13 *(a) FEDERATED STATES OF MICRONESIA.—The Com-*  
 14 *pact of Free Association, as amended with respect to the*  
 15 *Federated States of Micronesia and signed by the United*  
 16 *States and the Government of the Federated States of Micro-*  
 17 *nesia and set forth in Title II (section 201(a)) of this joint*  
 18 *resolution, is hereby approved, and Congress hereby con-*  
 19 *sents to the subsidiary agreements and amended subsidiary*  
 20 *agreements listed in section 462 of the U.S.-FSM Compact.*  
 21 *Subject to the provisions of this joint resolution, the Presi-*  
 22 *dent is authorized to agree, in accordance with section 411*  
 23 *of the U.S.-FSM Compact, to an effective date for and there-*  
 24 *after to implement such U.S.-FSM Compact.*

1       (b) *REPUBLIC OF THE MARSHALL ISLANDS.—The*  
2       *Compact of Free Association, as amended with respect to*  
3       *the Republic of the Marshall Islands and signed by the*  
4       *United States and the Government of the Republic of the*  
5       *Marshall Islands and set forth in Title II (section 201(b))*  
6       *of this joint resolution, is hereby approved, and Congress*  
7       *hereby consents to the subsidiary agreements and amended*  
8       *subsidiary agreements listed in section 462 of the U.S.-RMI*  
9       *Compact. Subject to the provisions of this joint resolution,*  
10       *the President is authorized to agree, in accordance with sec-*  
11       *tion 411 of the U.S.-RMI Compact, to an effective date for*  
12       *and thereafter to implement such U.S.-RMI Compact.*

13       (c) *REFERENCES TO THE COMPACT, THE U.S.-FSM*  
14       *COMPACT, AND THE U.S.-RMI COMPACT; REFERENCES TO*  
15       *SUBSIDIARY AGREEMENTS OR SEPARATE AGREEMENTS.—*

16               (1) *Any reference in this joint resolution (except*  
17       *references in Title II) to “the Compact” shall be treat-*  
18       *ed as a reference to the Compact of Free Association*  
19       *set forth in title II of Public Law 99–239, January*  
20       *14, 1986, 99 Stat. 1770. Any reference in this joint*  
21       *resolution to the “U.S.-FSM Compact” shall be treat-*  
22       *ed as a reference to the Compact of Free Association,*  
23       *as amended between the Government of the United*  
24       *States of America and the Government of the Fed-*  
25       *erated States of Micronesia and set forth in Title II*



1        *(section 201(a)) of this joint resolution. Any reference*  
 2        *in this joint resolution to the “U.S.-RMI Compact”*  
 3        *shall be treated as a reference to the Compact of Free*  
 4        *Association, as amended between the Government of*  
 5        *the United States of America and the Government of*  
 6        *the Republic of the Marshall Islands and set forth in*  
 7        *Title II (section 201(b)) of this joint resolution.*

8                *(2) Any reference to the term “subsidiary agree-*  
 9                *ments” or “separate agreements” in this joint resolu-*  
 10               *tion shall be treated as a reference to agreements list-*  
 11               *ed in section 462 of the U.S.-FSM Compact and the*  
 12               *U.S.-RMI Compact, and any other agreements that*  
 13               *the United States may from time to time enter into*  
 14               *with either the government of the Federated States of*  
 15               *Micronesia or the government of the Republic of the*  
 16               *Marshall Islands, or with both such governments in*  
 17               *accordance with the provisions of the U.S.-FSM Com-*  
 18               *pact and the U.S.-RMI Compact.*

19        *(d) AMENDMENT, CHANGE, OR TERMINATION IN THE*  
 20        *U.S.-FSM COMPACT AND U.S.-RMI COMPACT AND CER-*  
 21        *TAIN AGREEMENTS.—*

22                *(1) Any amendment, change, or termination by*  
 23                *mutual agreement or by unilateral action of the Gov-*  
 24                *ernment of the United States of all or any part of the*  
 25                *U.S.-FSM Compact or U.S.-RMI Compact shall not*

1        *enter into force until after Congress has incorporated*  
2        *it in an Act of Congress.*

3            (2) *The provisions of paragraph (1) shall*  
4        *apply—*

5            (A) *to all actions of the Government of the*  
6        *United States under the U.S.-FSM Compact or*  
7        *U.S.-RMI Compact including, but not limited to,*  
8        *actions taken pursuant to sections 431, 441, or*  
9        *442;*

10          (B) *to any amendment, change, or termi-*  
11        *nation in the Agreement Between the Govern-*  
12        *ment of the United States and the Government*  
13        *of the Federated States of Micronesia Regarding*  
14        *Friendship, Cooperation and Mutual Security*  
15        *Concluded Pursuant to Sections 321 and 323 of*  
16        *the Compact of Free Association referred to in*  
17        *section 462(a)(2) of the U.S.-FSM Compact and*  
18        *the Agreement Between the Government of the*  
19        *United States and the Government of the Mar-*  
20        *shall Islands Regarding Mutual Security Con-*  
21        *cluded Pursuant to Sections 321 and 323 of the*  
22        *Compact of Free Association referred to in sec-*  
23        *tion 462(a)(5) of the U.S.-RMI Compact;*

24          (C) *to any amendment, change, or termi-*  
25        *nation of the agreements concluded pursuant to*

1           *Compact section 177, and section 215(a) of the*  
 2           *U.S.-FSM Compact and section 216(a) of the*  
 3           *U.S.-RMI Compact, the terms of which are in-*  
 4           *corporated by reference into the U.S.-FSM Com-*  
 5           *compact and the U.S.-RMI Compact; and*

6           *(D) to the following subsidiary agreements,*  
 7           *or portions thereof: Articles III, IV and X of the*  
 8           *agreement referred to in section 462(b)(6) of the*  
 9           *U.S.-RMI Compact:*

10                   *(i) Article III and IV of the agreement*  
 11                   *referred to in section 462(b)(6) of the U.S.-*  
 12                   *FSM Compact.*

13                   *(ii) Articles VI, XV, and XVII of the*  
 14                   *agreement referred to in section 462(b)(7) of*  
 15                   *the U.S.-FSM Compact and U.S.-RMI*  
 16                   *Compact.*

17           *(e) SUBSIDIARY AGREEMENTS DEEMED BILATERAL.—*  
 18           *For purposes of implementation of the U.S.-FSM Compact*  
 19           *and the U.S.-RMI Compact and this joint resolution, the*  
 20           *Agreement Concluded Pursuant to Section 234 of the Com-*  
 21           *pact of Free Association and referred to in section 462(a)(1)*  
 22           *of the U.S.-FSM Compact and section 462(a)(4) of the U.S.-*  
 23           *RMI Compact shall be deemed to be a bilateral agreement*  
 24           *between the United States and each other party to such sub-*  
 25           *sidary agreement. The consent or concurrence of any other*

1 party shall not be required for the effectiveness of any ac-  
 2 tions taken by the United States in conjunction with either  
 3 the Federated States of Micronesia or the Republic of the  
 4 Marshall Islands which are intended to affect the implemen-  
 5 tation, modification, suspension, or termination of such  
 6 subsidiary agreement (or any provision thereof) as regards  
 7 the mutual responsibilities of the United States and the  
 8 party in conjunction with whom the actions are taken.

9 (f) ENTRY INTO FORCE OF FUTURE AMENDMENTS TO  
 10 SUBSIDIARY AGREEMENTS.—No agreement between the  
 11 United States and the government of either the Federated  
 12 States of Micronesia or the Republic of the Marshall Islands  
 13 which would amend, change, or terminate any subsidiary  
 14 agreement or portion thereof, other than those set forth in  
 15 subsection (d) of this section shall enter into force until after  
 16 the President has transmitted such agreement to the Presi-  
 17 dent of the Senate and the Speaker of the House of Rep-  
 18 resentatives together with an explanation of the agreement  
 19 and the reasons therefor. In the case of the agreement re-  
 20 ferred to in section 462(b)(3) of the U.S.-FSM Compact and  
 21 the U.S.-RMI Compact, such transmittal shall include a  
 22 specific statement by the Secretary of Labor as to the neces-  
 23 sity of such amendment, change, or termination, and the  
 24 impact thereof.

1 **SEC. 102. AGREEMENTS WITH FEDERATED STATES OF MI-**  
 2 **CRONESIA.**

3       (a) *LAW ENFORCEMENT ASSISTANCE.*—Pursuant to  
 4 sections 222 and 224 of the U.S.-FSM Compact, the United  
 5 States shall provide non-reimbursable technical and train-  
 6 ing assistance as appropriate, including training and  
 7 equipment for postal inspection of illicit drugs and other  
 8 contraband, to enable the Government of the Federated  
 9 States of Micronesia to develop and adequately enforce laws  
 10 of the Federated States of Micronesia and to cooperate with  
 11 the United States in the enforcement of criminal laws of  
 12 the United States. Funds appropriated pursuant to section  
 13 105(j) of this title may be used to reimburse State or local  
 14 agencies providing such assistance.

15       (b) *AGREEMENT ON AUDITS.*—The Comptroller Gen-  
 16 eral (and his duly authorized representatives) shall have the  
 17 authorities necessary to carry out his responsibilities under  
 18 section 232 of the U.S.-FSM Compact and the agreement  
 19 referred to in section 462(b)(4) of the U.S.-FSM Compact,  
 20 including the following authorities:

21               (1) *GENERAL AUTHORITY OF THE COMPTROLLER*  
 22 *GENERAL TO AUDIT.*—

23                       (A) *The Comptroller General of the United*  
 24 *States (and his duly authorized representatives)*  
 25 *shall have the authority to audit—*

1           (i) *all grants, program assistance, and*  
2           *other assistance provided to the Government*  
3           *of the Federated States of Micronesia under*  
4           *Articles I and II of Title Two of the U.S.-*  
5           *FSM Compact; and*

6           (ii) *any other assistance provided by*  
7           *the Government of the United States to the*  
8           *Government of the Federated States of Mi-*  
9           *cronesia.*

10          *Such authority shall include authority for the*  
11          *Comptroller General to conduct or cause to be*  
12          *conducted any of the audits provided for in sec-*  
13          *tion 232 of the U.S.-FSM Compact. The author-*  
14          *ity provided in this paragraph shall continue for*  
15          *at least three years after the last such grant has*  
16          *been made or assistance has been provided.*

17          (B) *The Comptroller General (and his duly*  
18          *authorized representatives) shall also have au-*  
19          *thority to review any audit conducted by or on*  
20          *behalf of the Government of the United States. In*  
21          *this connection, the Comptroller General shall*  
22          *have access to such personnel and to such*  
23          *records, documents, working papers, automated*  
24          *data and files, and other information relevant to*  
25          *such review.*

1           (2)   COMPTROLLER   GENERAL   ACCESS   TO  
2   RECORDS.—

3           (A) *In carrying out paragraph (1), the*  
4           *Comptroller General (and his duly authorized*  
5           *representatives) shall have such access to the per-*  
6           *sonnel and (without cost) to records, documents,*  
7           *working papers, automated data and files, and*  
8           *other information relevant to such audits. The*  
9           *Comptroller General may duplicate any such*  
10          *records, documents, working papers, automated*  
11          *data and files, or other information relevant to*  
12          *such audits.*

13          (B) *Such records, documents, working pa-*  
14          *pers, automated data and files, and other infor-*  
15          *mation regarding each such grant or other as-*  
16          *sistance shall be maintained for at least three*  
17          *years after the date such grant or assistance was*  
18          *provided and in a manner that permits such*  
19          *grants, assistance, and payments to be accounted*  
20          *for distinct from any other funds of the Govern-*  
21          *ment of the Federated States of Micronesia.*

22          (3) *STATUS OF COMPTROLLER GENERAL REP-*  
23          *RESENTATIVES.—The Comptroller General and his*  
24          *duly authorized representatives shall be immune from*  
25          *civil and criminal process relating to words spoken or*

1       *written and all acts performed by them in their offi-*  
2       *cial capacity and falling within their functions, ex-*  
3       *cept insofar as such immunity may be expressly*  
4       *waived by the Government of the United States. The*  
5       *Comptroller General and his duly authorized rep-*  
6       *resentatives shall not be liable to arrest or detention*  
7       *pending trial, except in the case of a grave crime and*  
8       *pursuant to a decision by a competent judicial au-*  
9       *thority, and such persons shall enjoy immunity from*  
10       *seizure of personal property, immigration restrictions,*  
11       *and laws relating to alien registration,*  
12       *fingerprinting, and the registration of foreign agents.*  
13       *Such persons shall enjoy the same taxation exemp-*  
14       *tions as are set forth in Article 34 of the Vienna Con-*  
15       *vention on Diplomatic Relations. The privileges, ex-*  
16       *emptions and immunities accorded under this para-*  
17       *graph are not for the personal benefit of the individ-*  
18       *uals concerned but are to safeguard the independent*  
19       *exercise of their official functions. Without prejudice*  
20       *to those privileges, exemptions and immunities, it is*  
21       *the duty of all such persons to respect the laws and*  
22       *regulations of the Government of the Federated States*  
23       *of Micronesia.*

24               (4) *AUDITS DEFINED.*—*As used in this sub-*  
25       *section, the term “audits” includes financial, pro-*



1        *gram, and management audits, including deter-*  
2        *mining—*

3                *(A) whether the Government of the Fed-*  
4                *erated States of Micronesia has met the require-*  
5                *ments set forth in the U.S.-FSM Compact, or*  
6                *any related agreement entered into under the*  
7                *U.S.-FSM Compact, regarding the purposes for*  
8                *which such grants and other assistance are to be*  
9                *used; and*

10               *(B) the propriety of the financial trans-*  
11               *actions of the Government of the Federated*  
12               *States of Micronesia pursuant to such grants or*  
13               *assistance.*

14               *(5) COOPERATION BY FEDERATED STATES OF MI-*  
15               *CRONESIA.—The Government of the Federated States*  
16               *of Micronesia will cooperate fully with the Comp-*  
17               *troller General of the United States in the conduct of*  
18               *such audits as the Comptroller General determines*  
19               *necessary to enable the Comptroller General to fully*  
20               *discharge his responsibilities under this joint resolu-*  
21               *tion.*

1 **SEC. 103. AGREEMENTS WITH AND OTHER PROVISIONS RE-**  
 2 **LATED TO THE REPUBLIC OF THE MARSHALL**  
 3 **ISLANDS.**

4 (a) *LAW ENFORCEMENT ASSISTANCE.*—Pursuant to  
 5 sections 222 and 224 of the U.S.-RMI Compact, the United  
 6 States shall provide non-reimbursable technical and train-  
 7 ing assistance as appropriate, including training and  
 8 equipment for postal inspection of illicit drugs and other  
 9 contraband, to enable the Government of the Marshall Is-  
 10 lands to develop and adequately enforce laws of the Mar-  
 11 shall Islands and to cooperate with the United States in  
 12 the enforcement of criminal laws of the United States.  
 13 Funds appropriated pursuant to section 105(j) of this title  
 14 may be used to reimburse State or local agencies providing  
 15 such assistance.

16 (b) *EJIT.*—

17 (1) *In the joint resolution of January 14, 1986*  
 18 *(Public Law 99–239) Congress provided that the*  
 19 *President of the United States shall negotiate with the*  
 20 *Government of the Marshall Islands an agreement*  
 21 *whereby, without prejudice as to any claims which*  
 22 *have been or may be asserted by any party as to*  
 23 *rightful title and ownership of any lands on Ejit, the*  
 24 *Government of the Marshall Islands shall assure that*  
 25 *lands on Ejit used as of January 1, 1985, by the peo-*  
 26 *ple of Bikini, will continue to be available without*

1        *charge for their use, until such time as Bikini is re-*  
2        *stored and inhabitable and the continued use of Ejit*  
3        *is no longer necessary, unless a Marshall Islands*  
4        *court of competent jurisdiction finally determines that*  
5        *there are legal impediments to continued use of Ejit*  
6        *by the people of Bikini.*

7                *(2) In the joint resolution of January 14, 1986*  
8        *(Public Law 99-239) Congress provided that if the*  
9        *impediments described in paragraph (1) do arise, the*  
10       *United States will cooperate with the Government of*  
11       *the Marshall Islands in assisting any person ad-*  
12       *versely affected by such judicial determination to re-*  
13       *main on Ejit, or in locating suitable and acceptable*  
14       *alternative lands for such person's use.*

15               *(3) In the joint resolution of January 14, 1986*  
16       *(Public Law 99-239) Congress provided that para-*  
17       *graph (1) shall not be applied in a manner which*  
18       *would prevent the Government of the Marshall Islands*  
19       *from acting in accordance with its constitutional*  
20       *processes to resolve title and ownership claims with*  
21       *respect to such lands or from taking substitute or ad-*  
22       *ditional measures to meet the needs of the people of*  
23       *Bikini with their democratically expressed consent*  
24       *and approval.*

1           (4) *The United States and the Republic of the*  
 2           *Marshall Islands entered into an agreement in fur-*  
 3           *therance of paragraphs (1) through (3) of this sub-*  
 4           *section on July 21, 1986. Nothing in this subsection*  
 5           *creates any rights or obligations beyond those pro-*  
 6           *vided for in the original enacted version of Public*  
 7           *Law 99–239.*

8           (c) *SECTION 177 AGREEMENT.—*

9           (1) *In the joint resolution of January 14, 1986*  
 10          *(Public Law 99–239) Congress provided that in fur-*  
 11          *therance of the purposes of Article I of the Subsidiary*  
 12          *Agreement for Implementation of Section 177 of the*  
 13          *Compact, the payment of the amount specified therein*  
 14          *shall be made by the United States under Article I of*  
 15          *the Agreement between the Government of the United*  
 16          *States and the Government of the Marshall Islands*  
 17          *for the Implementation of section 177 of the Compact*  
 18          *(hereafter in this subsection referred to as the “Sec-*  
 19          *tion 177 Agreement”)* *only after the Government of*  
 20          *the Marshall Islands has notified the President of the*  
 21          *United States as to which investment management*  
 22          *firm has been selected by such Government to act as*  
 23          *Fund Manager under Article I of the Section 177*  
 24          *Agreement.*

1           (2) *In the joint resolution of January 14, 1986*  
2           *(Public Law 99–239) Congress provided that in the*  
3           *event that the President determines that an invest-*  
4           *ment management firm selected by the Government of*  
5           *the Marshall Islands does not meet the requirements*  
6           *specified in Article I of the Section 177 Agreement,*  
7           *the United States shall invoke the conference and dis-*  
8           *pute resolution procedures of Article II of Title Four*  
9           *of the Compact. Pending the resolution of such a dis-*  
10          *pute and until a qualified Fund Manager has been*  
11          *designated, the Government of the Marshall Islands*  
12          *shall place the funds paid by the United States pur-*  
13          *suant to Article I of the Section 177 Agreement into*  
14          *an interest-bearing escrow account. Upon designation*  
15          *of a qualified Fund Manager, all funds in the escrow*  
16          *account shall be transferred to the control of such*  
17          *Fund Manager for management pursuant to the Sec-*  
18          *tion 177 Agreement.*

19          (3) *In the joint resolution of January 14, 1986*  
20          *(Public Law 99–239) Congress provided that if the*  
21          *Government of the Marshall Islands determines that*  
22          *some other investment firm should act as Fund Man-*  
23          *ager in place of the firm first (or subsequently) se-*  
24          *lected by such Government, the Government of the*  
25          *Marshall Islands shall so notify the President of the*

1        *United States, identifying the firm selected by such*  
 2        *Government to become Fund Manager, and the Presi-*  
 3        *dent shall proceed to evaluate the qualifications of*  
 4        *such identified firm.*

5            *(4) In the joint resolution of January 14, 1986*  
 6        *(Public Law 99–239) Congress provided that at the*  
 7        *end of 15 years after the effective date of the Compact,*  
 8        *the firm then acting as Fund Manager shall transfer*  
 9        *to the Government of the Marshall Islands, or to such*  
 10       *account as such Government shall so notify the Fund*  
 11       *Manager, all remaining funds and assets being man-*  
 12       *aged by the Fund Manager under the Section 177*  
 13       *Agreement.*

14           *(5) The United States made the payment called*  
 15        *for under paragraph (1) of this subsection in Novem-*  
 16        *ber 1986. Nothing in this subsection creates any*  
 17        *rights or obligations beyond those provided for in the*  
 18        *original enacted version of Public Law 99–239.*

19        *(d) NUCLEAR TEST EFFECTS.—In the joint resolution*  
 20       *of January 14, 1986 (Public Law 99–239) Congress pro-*  
 21       *vided that in approving the Compact, the Congress under-*  
 22       *stands and intends that the peoples of Bikini, Enewetak,*  
 23       *Rongelap, and Utrik, who were affected by the United*  
 24       *States nuclear weapons testing program in the Marshall Is-*  
 25       *lands, will receive the amounts of \$75,000,000 (Bikini);*

1 \$48,750,000 (*Enewetak*); \$37,500,000 (*Rongelap*); and  
 2 \$22,500,000 (*Utrik*), respectively, which amounts shall be  
 3 paid out of proceeds from the fund established under Article  
 4 I, section 1 of the subsidiary agreement for the implementa-  
 5 tion of section 177 of the Compact. The amounts specified  
 6 in this subsection shall be in addition to any amounts  
 7 which may be awarded to claimants pursuant to Article  
 8 IV of the subsidiary agreement for the implementation of  
 9 Section 177 of the Compact. Nothing in this subsection cre-  
 10 ates any rights or obligations beyond those provided for in  
 11 the original enacted version of Public Law 99–239.

12 (e) *ESPOUSAL PROVISIONS.*—

13 (1) *In the joint resolution of January 14, 1986*  
 14 *(Public Law 99–239) Congress provided that it is the*  
 15 *intention of the Congress of the United States that the*  
 16 *provisions of section 177 of the Compact of Free Asso-*  
 17 *ciation and the Agreement between the Government of*  
 18 *the United States and the Government of the Marshall*  
 19 *Islands for the Implementation of Section 177 of the*  
 20 *Compact (hereafter in this subsection referred to as*  
 21 *the “Section 177 Agreement”)* *constitute a full and*  
 22 *final settlement of all claims described in Articles X*  
 23 *and XI of the Section 177 Agreement, and that any*  
 24 *such claims be terminated and barred except insofar*  
 25 *as provided for in the Section 177 Agreement.*

1           (2) *In the joint resolution of January 14, 1986*  
 2           *(Public Law 99–239) Congress provided that in fur-*  
 3           *therance of the intention of Congress as stated in*  
 4           *paragraph (1) of this subsection, the Section 177*  
 5           *Agreement is hereby ratified and approved. It is the*  
 6           *explicit understanding and intent of Congress that the*  
 7           *jurisdictional limitations set forth in Article XII of*  
 8           *such Agreement are enacted solely and exclusively to*  
 9           *accomplish the objective of Article X of such Agree-*  
 10          *ment and only as a clarification of the effect of Arti-*  
 11          *cle X, and are not to be construed or implemented*  
 12          *separately from Article X.*

13          (3) *The amounts specified in paragraph (1) of*  
 14          *this subsection were paid as specified. Nothing in this*  
 15          *subsection creates any rights or obligations beyond*  
 16          *those provided for in the original enacted version of*  
 17          *Public Law 99–239. The provisions of section 177 of*  
 18          *the Compact, section 177 of the U.S.-FSM Compact,*  
 19          *section 177 of the U.S.-RMI Compact, and the Sec-*  
 20          *tion 177 Agreement constitute a full and final settle-*  
 21          *ment of all claims described in Articles X and XI of*  
 22          *the Section 177 Agreement, and any such claims are*  
 23          *terminated and barred.*

24          (f) *DOE RADIOLOGICAL HEALTH CARE PROGRAM;*  
 25          *USDA AGRICULTURAL AND FOOD PROGRAMS.—*



1           (1) *MARSHALL ISLANDS PROGRAM.*—*Notwith-*  
2           *standing any other provision of law, upon the request*  
3           *of the Government of the Republic of the Marshall Is-*  
4           *lands, the President (either through an appropriate*  
5           *department or agency of the United States or by con-*  
6           *tract with a United States firm) shall continue to*  
7           *provide special medical care and logistical support*  
8           *thereto for the remaining 118 (as of April 30, 2003)*  
9           *members of the population of Rongelap and Utrik*  
10          *who were exposed to radiation resulting from the*  
11          *1954 United States thermo-nuclear “Bravo” test, pur-*  
12          *suant to Public Laws 95–134 and 96–205.*

13          (2) *AGRICULTURAL AND FOOD PROGRAMS.*—*In*  
14          *the joint resolution of January 14, 1986 (Public Law*  
15          *99–239) Congress provided that notwithstanding any*  
16          *other provision of law, upon the request of the Gov-*  
17          *ernment of the Marshall Islands, for the first fifteen*  
18          *years after the effective date of the Compact, the*  
19          *President (either through an appropriate department*  
20          *or agency of the United States or by contract with a*  
21          *United States firm or by a grant to the Government*  
22          *of the Republic of the Marshall Islands which may*  
23          *further contract only with a United States firm or a*  
24          *Republic of the Marshall Islands firm, the owners, of-*  
25          *ficers and majority of the employees of which are citi-*

zens of the United States or the Republic of the Marshall Islands) shall provide technical and other assistance—

(A) without reimbursement, to continue the planting and agricultural maintenance program on Enewetak;

(B) without reimbursement, to continue the food programs of the Bikini and Enewetak people described in section 1(d) of Article II of the Subsidiary Agreement for the Implementation of Section 177 of the Compact and for continued waterborne transportation of agricultural products to Enewetak including operations and maintenance of the vessel used for such purposes.

The President shall ensure the assistance provided under these programs reflects the changes in the population since the inception of such programs.

(3) PAYMENTS.—In the joint resolution of January 14, 1986 (Public Law 99–239) Congress provided that payments under this subsection shall be provided to such extent or in such amounts as are necessary for services and other assistance provided pursuant to this subsection. It is the sense of Congress that after the periods of time specified in paragraphs (1) and (2) of this subsection, consideration will be given to

1        *such additional funding for these programs as may be*  
2        *necessary. Nothing in this subsection creates any*  
3        *rights or obligations beyond those provided for in the*  
4        *original enacted version of Public Law 99–239.*

5        *(g) RONGELAP.—*

6            *(1) In the joint resolution of January 14, 1986*  
7        *(Public Law 99–239) Congress provided that because*  
8        *Rongelap was directly affected by fallout from a 1954*  
9        *United States thermonuclear test and because the*  
10       *Rongelap people remain unconvinced that it is safe to*  
11       *continue to live on Rongelap Island, it is the intent*  
12       *of Congress to take such steps (if any) as may be nec-*  
13       *essary to overcome the effects of such fallout on the*  
14       *habitability of Rongelap Island, and to restore*  
15       *Rongelap Island, if necessary, so that it can be safely*  
16       *inhabited. Accordingly, it is the expectation of the*  
17       *Congress that the Government of the Marshall Islands*  
18       *shall use such portion of the funds specified in Article*  
19       *II, section 1(e) of the subsidiary agreement for the*  
20       *implementation of section 177 of the Compact as are*  
21       *necessary for the purpose of contracting with a quali-*  
22       *fied scientist or group of scientists to review the data*  
23       *collected by the Department of Energy relating to ra-*  
24       *diation levels and other conditions on Rongelap Is-*  
25       *land resulting from the thermonuclear test. It is the*

1        *expectation of the Congress that the Government of the*  
2        *Marshall Islands, after consultation with the people of*  
3        *Rongelap, shall select the party to review such data,*  
4        *and shall contract for such review and for submission*  
5        *of a report to the President of the United States and*  
6        *the Congress as to the results thereof.*

7            *(2) In the joint resolution of January 14, 1986*  
8        *(Public Law 99–239) Congress provided that the pur-*  
9        *pose of the review referred to in paragraph (1) of this*  
10       *subsection shall be to establish whether the data cited*  
11       *in support of the conclusions as to the habitability of*  
12       *Rongelap Island, as set forth in the Department of*  
13       *Energy report entitled: “The Meaning of Radiation*  
14       *for Those Atolls in the Northern Part of the Marshall*  
15       *Islands That Were Surveyed in 1978”, dated Novem-*  
16       *ber 1982, are adequate and whether such conclusions*  
17       *are fully supported by the data. If the party review-*  
18       *ing the data concludes that such conclusions as to*  
19       *habitability are fully supported by adequate data, the*  
20       *report to the President of the United States and the*  
21       *Congress shall so state. If the party reviewing the*  
22       *data concludes that the data are inadequate to sup-*  
23       *port such conclusions as to habitability or that such*  
24       *conclusions as to habitability are not fully supported*  
25       *by the data, the Government of the Marshall Islands*

1        *shall contract with an appropriate scientist or group*  
 2        *of scientists to undertake a complete survey of radi-*  
 3        *ation and other effects of the nuclear testing program*  
 4        *relating to the habitability of Rongelap Island. Such*  
 5        *sums as are necessary for such survey and report con-*  
 6        *cerning the results thereof and as to steps needed to*  
 7        *restore the habitability of Rongelap Island are au-*  
 8        *thorized to be made available to the Government of*  
 9        *the Marshall Islands.*

10            *(3) In the joint resolution of January 14, 1986*  
 11        *(Public Law 99–239) Congress provided that it is the*  
 12        *intent of Congress that such steps (if any) as are nec-*  
 13        *essary to restore the habitability of Rongelap Island*  
 14        *and return the Rongelap people to their homeland*  
 15        *will be taken by the United States in consultation*  
 16        *with the Government of the Marshall Islands and, in*  
 17        *accordance with its authority under the Constitution*  
 18        *of the Marshall Islands, the Rongelap local govern-*  
 19        *ment council. Nothing in this subsection creates any*  
 20        *rights or obligations beyond those provided for in the*  
 21        *original enacted version of Public Law 99–239.*

22        *(h) FOUR ATOLL HEALTH CARE PROGRAM.—*

23            *(1) In the joint resolution of January 14, 1986*  
 24        *(Public Law 99–239) Congress provided that services*  
 25        *provided by the United States Public Health Service*

1       or any other United States agency pursuant to sec-  
 2       tion 1(a) of Article II of the Agreement for the Imple-  
 3       mentation of Section 177 of the Compact (hereafter in  
 4       this subsection referred to as the “Section 177 Agree-  
 5       ment”) shall be only for services to the people of the  
 6       Atolls of Bikini, Enewetak, Rongelap, and Utrik who  
 7       were affected by the consequences of the United States  
 8       nuclear testing program, pursuant to the program de-  
 9       scribed in Public Law 95–134 (91 Stat. 1159) and  
 10      Public Law 96–205 (94 Stat. 84) and their descend-  
 11      ants (and any other persons identified as having been  
 12      so affected if such identification occurs in the manner  
 13      described in such public laws). Nothing in this sub-  
 14      section shall be construed as prejudicial to the views  
 15      or policies of the Government of the Marshall Islands  
 16      as to the persons affected by the consequences of the  
 17      United States nuclear testing program.

18           (2) In the joint resolution of January 14, 1986  
 19      (Public Law 99–239) Congress provided that at the  
 20      end of the first year after the effective date of the  
 21      Compact and at the end of each year thereafter, the  
 22      providing agency or agencies shall return to the Gov-  
 23      ernment of the Marshall Islands any unexpended  
 24      funds to be returned to the Fund Manager (as de-  
 25      scribed in Article I of the Section 177 Agreement) to

1        *be covered into the Fund to be available for future*  
 2        *use.*

3            *(3) In the joint resolution of January 14, 1986*  
 4        *(Public Law 99–239) Congress provided that the*  
 5        *Fund Manager shall retain the funds returned by the*  
 6        *Government of the Marshall Islands pursuant to*  
 7        *paragraph (2) of this subsection, shall invest and*  
 8        *manage such funds, and at the end of 15 years after*  
 9        *the effective date of the Compact, shall make from the*  
 10       *total amount so retained and the proceeds thereof an-*  
 11       *nual disbursements sufficient to continue to make*  
 12       *payments for the provision of health services as speci-*  
 13       *fied in paragraph (1) of this subsection to such extent*  
 14       *as may be provided in contracts between the Govern-*  
 15       *ment of the Marshall Islands and appropriate United*  
 16       *States providers of such health services. Nothing in*  
 17       *this subsection creates any rights or obligations be-*  
 18       *yond those provided for in the original enacted*  
 19       *version of Public Law 99–239.*

20        *(i) ENJEBI COMMUNITY TRUST FUND.—In the joint*  
 21       *resolution of January 14, 1986 (Public Law 99–239) Con-*  
 22       *gress provided that notwithstanding any other provision of*  
 23       *law, the Secretary of the Treasury shall establish on the*  
 24       *books of the Treasury of the United States a fund having*  
 25       *the status specified in Article V of the subsidiary agreement*

1 *for the implementation of Section 177 of the Compact, to*  
 2 *be known as the “Enjebi Community Trust Fund” (here-*  
 3 *after in this subsection referred to as the “Fund”), and shall*  
 4 *credit to the Fund the amount of \$7,500,000. Such amount,*  
 5 *which shall be ex gratia, shall be in addition to and not*  
 6 *charged against any other funds provided for in the Com-*  
 7 *pact and its subsidiary agreements, this joint resolution,*  
 8 *or any other Act. Upon receipt by the President of the*  
 9 *United States of the agreement described in this subsection,*  
 10 *the Secretary of the Treasury, upon request of the Govern-*  
 11 *ment of the Marshall Islands, shall transfer the Fund to*  
 12 *the Government of the Marshall Islands, provided that the*  
 13 *Government of the Marshall Islands agrees as follows:*

14           (1) *ENJEBI TRUST AGREEMENT.—In the joint*  
 15           *resolution of January 14, 1986 (Public Law 99–239)*  
 16           *Congress provided that the Government of the Mar-*  
 17           *shall Islands and the Enewetak Local Government*  
 18           *Council, in consultation with the people of Enjebi,*  
 19           *shall provide for the creation of the Enjebi Commu-*  
 20           *nity Trust Fund and the employment of the manager*  
 21           *of the Enewetak Fund established pursuant to the*  
 22           *Section 177 Agreement as trustee and manager of the*  
 23           *Enjebi Community Trust Fund, or, should the man-*  
 24           *ager of the Enewetak Fund not be acceptable to the*  
 25           *people of Enjebi, another United States investment*



1        *manager with substantial experience in the adminis-*  
 2        *tration of trusts and with funds under management*  
 3        *in excess of 250 million dollars.*

4            (2) *MONITOR CONDITIONS.—In the joint resolu-*  
 5        *tion of January 14, 1986 (Public Law 99–239) Con-*  
 6        *gress provided that upon the request of the Govern-*  
 7        *ment of the Marshall Islands, the United States shall*  
 8        *monitor the radiation and other conditions on Enjebi*  
 9        *and within one year of receiving such a request shall*  
 10       *report to the Government of the Marshall Islands*  
 11       *when the people of Enjebi may resettle Enjebi under*  
 12       *circumstances where the radioactive contamination at*  
 13       *Enjebi, including contamination derived from con-*  
 14       *sumption of locally grown food products, can be re-*  
 15       *duced or otherwise controlled to meet whole body Fed-*  
 16       *eral radiation protection standards for the general*  
 17       *population, including mean annual dose and mean*  
 18       *30-year cumulative dose standards.*

19           (3) *RESETTLEMENT OF ENJEBI.—In the joint*  
 20        *resolution of January 14, 1986 (Public Law 99–239)*  
 21        *Congress provided that in the event that the United*  
 22        *States determines that the people of Enjebi can with-*  
 23        *in 25 years of January 14, 1986, resettle Enjebi*  
 24        *under the conditions set forth in paragraph (2) of this*  
 25        *subsection, then upon such determination there shall*

1        *be available to the people of Enjebi from the Fund*  
 2        *such amounts as are necessary for the people of*  
 3        *Enjebi to do the following, in accordance with a plan*  
 4        *developed by the Enewetak Local Government Council*  
 5        *and the people of Enjebi, and concurred with by the*  
 6        *Government of the Marshall Islands to assure consist-*  
 7        *ency with the government's overall economic develop-*  
 8        *ment plan:*

9                    *(A) Establish a community on Enjebi Is-*  
 10                   *land for the use of the people of Enjebi.*

11                   *(B) Replant Enjebi with appropriate food-*  
 12                   *bearing and other vegetation.*

13                   *(4) RESETTLEMENT OF OTHER LOCATION.—In*  
 14                   *the joint resolution of January 14, 1986 (Public Law*  
 15                   *99-239) Congress provided that in the event that the*  
 16                   *United States determines that within 25 years of*  
 17                   *January 14, 1986, the people of Enjebi cannot resettle*  
 18                   *Enjebi without exceeding the radiation standards set*  
 19                   *forth in paragraph (2) of this subsection, then the*  
 20                   *fund manager shall be directed by the trust instru-*  
 21                   *ment to distribute the Fund to the people of Enjebi*  
 22                   *for their resettlement at some other location in ac-*  
 23                   *cordance with a plan, developed by the Enewetak*  
 24                   *Local Government Council and the people of Enjebi*  
 25                   *and concurred with by the Government of the Mar-*

1        *shall Islands, to assure consistency with the govern-*  
 2        *ment's overall economic development plan.*

3            (5) *INTEREST FROM FUND.*—*In the joint resolu-*  
 4        *tion of January 14, 1986 (Public Law 99–239) Con-*  
 5        *gress provided that prior to and during the distribu-*  
 6        *tion of the corpus of the Fund pursuant to para-*  
 7        *graphs (3) and (4) of this subsection, the people of*  
 8        *Enjebi may, if they so request, receive the interest*  
 9        *earned by the Fund on no less frequent a basis than*  
 10       *quarterly.*

11           (6) *DISCLAIMER OF LIABILITY.*—*In the joint res-*  
 12        *olution of January 14, 1986 (Public Law 99–239)*  
 13        *Congress provided that neither under the laws of the*  
 14        *Marshall Islands nor under the laws of the United*  
 15        *States, shall the Government of the United States be*  
 16        *liable for any loss or damage to person or property*  
 17        *in respect to the resettlement of Enjebi by the people*  
 18        *of Enjebi, pursuant to the provision of this subsection*  
 19        *or otherwise.*

20           (7) *STATUS OF PAYMENT.*—*The ex gratia pay-*  
 21        *ment provided for in this subsection was made. Noth-*  
 22        *ing in this subsection creates any rights or obligations*  
 23        *beyond those provided for in the original enacted*  
 24        *version of Public Law 99–239.*

25        (j) *BIKINI ATOLL CLEANUP.*—

1           (1) *DECLARATION OF POLICY.*—*In the joint reso-*  
 2           *lution of January 14, 1986 (Public Law 99–239), the*  
 3           *Congress determined and declared that it is the policy*  
 4           *of the United States, to be supported by the full faith*  
 5           *and credit of the United States, that because the*  
 6           *United States, through its nuclear testing and other*  
 7           *activities, rendered Bikini Atoll unsafe for habitation*  
 8           *by the people of Bikini, the United States will fulfill*  
 9           *its responsibility for restoring Bikini Atoll to habit-*  
 10           *ability, as set forth in paragraph (2) and (3) of this*  
 11           *subsection.*

12           (2) *CLEANUP FUNDS.*—*The joint resolution of*  
 13           *January 14, 1986 (Public Law 99–239) authorized to*  
 14           *be appropriated such sums as necessary to implement*  
 15           *the settlement agreement of March 15, 1985, in The*  
 16           *People of Bikini, et al. against United States of*  
 17           *America, et al., Civ. No. 84–0425 (D. Ha.).*

18           (3) *CONDITIONS OF FUNDING.*—*In the joint reso-*  
 19           *lution of January 14, 1986 (Public Law 99–239) the*  
 20           *Congress provided that the funds referred to in para-*  
 21           *graph (2) were to be made available pursuant to Arti-*  
 22           *cle VI, Section 1 of the Compact Section 177 Agree-*  
 23           *ment upon completion of the events set forth in the*  
 24           *settlement agreement referred to in paragraph (2) of*  
 25           *this subsection. Nothing in this subsection creates any*

1        *rights or obligations beyond those provided for in the*  
 2        *original enacted version of Public Law 99–239.*

3        *(k) AGREEMENT ON AUDITS.—The Comptroller Gen-*  
 4        *eral (and his duly authorized representatives) shall have the*  
 5        *authorities necessary to carry out his responsibilities under*  
 6        *section 232 of the U.S.-RMI Compact and the agreement*  
 7        *referred to in section 462(b)(4) of the U.S.-RMI Compact,*  
 8        *including the following authorities:*

9                *(1) GENERAL AUTHORITY OF THE COMPTROLLER*  
 10        *GENERAL TO AUDIT.—*

11                *(A) The Comptroller General of the United*  
 12        *States (and his duly authorized representatives)*  
 13        *shall have the authority to audit—*

14                *(i) all grants, program assistance, and*  
 15        *other assistance provided to the Government*  
 16        *of the Republic of the Marshall Islands*  
 17        *under Articles I and II of Title Two of the*  
 18        *U.S.-RMI Compact; and*

19                *(ii) any other assistance provided by*  
 20        *the Government of the United States to the*  
 21        *Government of the Republic of the Marshall*  
 22        *Islands.*

23        *Such authority shall include authority for the*  
 24        *Comptroller General to conduct or cause to be*  
 25        *conducted any of the audits provided for in sec-*

tion 232 of the U.S.-RMI Compact. The authority provided in this paragraph shall continue for at least three years after the last such grant has been made or assistance has been provided.

(B) The Comptroller General (and his duly authorized representatives) shall also have authority to review any audit conducted by or on behalf of the Government of the United States. In this connection, the Comptroller General shall have access to such personnel and to such records, documents, working papers, automated data and files, and other information relevant to such review.

(2) COMPTROLLER GENERAL ACCESS TO RECORDS.—

(A) In carrying out paragraph (1), the Comptroller General (and his duly authorized representatives) shall have such access to the personnel and (without cost) to records, documents, working papers, automated data and files, and other information relevant to such audits. The Comptroller General may duplicate any such records, documents, working papers, automated data and files, or other information relevant to such audits.

1           (B) *Such records, documents, working pa-*  
 2           *pers, automated data and files, and other infor-*  
 3           *mation regarding each such grant or other as-*  
 4           *sistance shall be maintained for at least three*  
 5           *years after the date such grant or assistance was*  
 6           *provided and in a manner that permits such*  
 7           *grants, assistance and payments to be accounted*  
 8           *for distinct from any other funds of the Govern-*  
 9           *ment of the Republic of the Marshall Islands.*

10          (3) *STATUS OF COMPTROLLER GENERAL REP-*  
 11          *RESENTATIVES.—The Comptroller General and his*  
 12          *duly authorized representatives shall be immune from*  
 13          *civil and criminal process relating to words spoken or*  
 14          *written and all acts performed by them in their offi-*  
 15          *cial capacity and falling within their functions, ex-*  
 16          *cept insofar as such immunity may be expressly*  
 17          *waived by the Government of the United States. The*  
 18          *Comptroller General and his duly authorized rep-*  
 19          *resentatives shall not be liable to arrest or detention*  
 20          *pending trial, except in the case of a grave crime and*  
 21          *pursuant to a decision by a competent judicial au-*  
 22          *thority, and such persons shall enjoy immunity from*  
 23          *seizure of personal property, immigration restrictions,*  
 24          *and laws relating to alien registration,*  
 25          *fingerprinting, and the registration of foreign agents.*

1     *Such persons shall enjoy the same taxation exemp-*  
 2     *tions as are set forth in Article 34 of the Vienna Con-*  
 3     *vention on Diplomatic Relations. The privileges, ex-*  
 4     *emptions and immunities accorded under this para-*  
 5     *graph are not for the personal benefit of the individ-*  
 6     *uals concerned but are to safeguard the independent*  
 7     *exercise of their official functions. Without prejudice*  
 8     *to those privileges, exemptions and immunities, it is*  
 9     *the duty of all such persons to respect the laws and*  
 10    *regulations of the Government of the Republic of the*  
 11    *Marshall Islands.*

12           (4) *AUDITS DEFINED.—As used in this sub-*  
 13    *section, the term “audits” includes financial, pro-*  
 14    *gram, and management audits, including deter-*  
 15    *mining—*

16           (A) *whether the Government of the Republic*  
 17    *of the Marshall Islands has met the requirements*  
 18    *set forth in the U.S.-RMI Compact, or any re-*  
 19    *lated agreement entered into under the U.S.-RMI*  
 20    *Compact, regarding the purposes for which such*  
 21    *grants and other assistance are to be used; and*

22           (B) *the propriety of the financial trans-*  
 23    *actions of the Government of the Republic of the*  
 24    *Marshall Islands pursuant to such grants or as-*  
 25    *sistance.*



1           (5) *COOPERATION BY THE REPUBLIC OF THE*  
 2           *MARSHALL ISLANDS.—The Government of the Repub-*  
 3           *lic of the Marshall Islands will cooperate fully with*  
 4           *the Comptroller General of the United States in the*  
 5           *conduct of such audits as the Comptroller General de-*  
 6           *termines necessary to enable the Comptroller General*  
 7           *to fully discharge his responsibilities under this joint*  
 8           *resolution.*

9   **SEC. 104. INTERPRETATION OF AND UNITED STATES POL-**  
 10                   **ICY REGARDING U.S.-FSM COMPACT AND U.S.-**  
 11                   **RMI COMPACT.**

12       (a) *HUMAN RIGHTS.—In approving the U.S.-FSM*  
 13       *Compact and the U.S.-RMI Compact, the Congress notes*  
 14       *the conclusion in the Statement of Intent of the Report of*  
 15       *The Future Political Status Commission of the Congress of*  
 16       *Micronesia in July, 1969, that “our recommendation of a*  
 17       *free associated state is indissolubly linked to our desire for*  
 18       *such a democratic, representative, constitutional govern-*  
 19       *ment” and notes that such desire and intention are re-*  
 20       *affirmed and embodied in the Constitutions of the Federated*  
 21       *States of Micronesia and the Republic of the Marshall Is-*  
 22       *lands. The Congress also notes and specifically endorses the*  
 23       *preamble to the U.S.-FSM Compact and the U.S.-RMI*  
 24       *Compact, which affirms that the governments of the parties*  
 25       *to the U.S.-FSM Compact and the U.S.-RMI Compact are*

1 *founded upon respect for human rights and fundamental*  
 2 *freedoms for all. The Secretary of State shall include in the*  
 3 *annual reports on the status of internationally recognized*  
 4 *human rights in foreign countries, which are submitted to*  
 5 *the Congress pursuant to sections 116 and 502B of the For-*  
 6 *ign Assistance Act of 1961 (22 U.S.C 2151n, 2304), a full*  
 7 *and complete report regarding the status of internationally*  
 8 *recognized human rights in the Federated States of Micro-*  
 9 *nesia and the Republic of the Marshall Islands.*

10 (b) *IMMIGRATION AND PASSPORT SECURITY.—*

11 (1) *NATURALIZED CITIZENS.—The rights of a*  
 12 *bona fide naturalized citizen of the Federated States*  
 13 *of Micronesia or the Republic of the Marshall Islands*  
 14 *to enter the United States, to lawfully engage therein*  
 15 *in occupations, and to establish residence therein as*  
 16 *a nonimmigrant, to the extent such rights are pro-*  
 17 *vided under section 141 of the U.S.-FSM Compact*  
 18 *and U.S.-RMI Compact, shall not be deemed to ex-*  
 19 *tend to any such naturalized citizen with respect to*  
 20 *whom circumstances associated with the acquisition*  
 21 *of the status of a naturalized citizen are such as to*  
 22 *allow a reasonable inference, on the part of appro-*  
 23 *priate officials of the United States and subject to*  
 24 *United States procedural requirements, that such nat-*

1        uralized status was acquired primarily in order to  
2        obtain such rights.

3            (2) *PASSPORTS.*—Up to \$250,000 of the grant  
4        assistance provided to the Federated States of Micro-  
5        nesia pursuant to section 211(a)(4) of the U.S.-FSM  
6        Compact, and up to \$250,000 of the grant assistance  
7        provided to the Republic of the Marshall Islands pur-  
8        suant to section 211(a)(4) of the U.S.-RMI Compact  
9        (or a greater amount of the section 211(a)(4) grant,  
10       if mutually agreed between the Government of the  
11       United States and the government of the Federated  
12       States of Micronesia or the government of the Repub-  
13       lic of the Marshall Islands), shall be used for the pur-  
14       pose of increasing the machine-readability and secu-  
15       rity of passports issued by such jurisdictions. Such  
16       funds must be obligated by September 30, 2004 and  
17       in the amount and manner specified by the Secretary  
18       of State in consultation with the Secretary of Home-  
19       land Security and, respectively, with the government  
20       of the Federated States of Micronesia and the govern-  
21       ment of the Republic of the Marshall Islands. The  
22       United States Government is authorized to require  
23       that passports used for the purpose of seeking admis-  
24       sion under section 141 of the U.S.-FSM Compact and

1       *the U.S.-RMI Compact contain the security enhance-*  
2       *ments funded by such assistance.*

3           (3) *INFORMATION-SHARING.—As a condition of*  
4       *assistance under the U.S.-FSM Compact and the*  
5       *U.S.-RMI Compact, the governments of the Federated*  
6       *States of Micronesia and the Republic of the Marshall*  
7       *Islands shall develop, prior to October 1, 2004, the ca-*  
8       *pability to provide reliable and timely information as*  
9       *may reasonably be required by the Government of the*  
10       *United States in enforcing criminal and security-re-*  
11       *lated grounds of inadmissibility and deportability*  
12       *under the Immigration and Nationality Act, as*  
13       *amended, and shall provide such information to the*  
14       *Government of the United States.*

15           (4) *TRANSITION; CONSTRUCTION OF SECTIONS*  
16       *141(A)(3) AND 141(A)(4) OF THE U.S.-FSM COMPACT AND*  
17       *U.S.-RMI COMPACT.—The words “the effective date of*  
18       *this Compact, as amended” in sections 141(a)(3) and*  
19       *141(a)(4) of the U.S.-FSM Compact and the U.S.-*  
20       *RMI Compact shall be construed to read, “on the day*  
21       *prior to the enactment by the United States Congress*  
22       *of the Amended Compact Act.”.*

23           (c) *NONALIENATION OF LANDS.—The Congress en-*  
24       *dorses and encourages the maintenance of the policies of the*  
25       *Government of the Federated States of Micronesia and the*

1 *Government of the Republic of the Marshall Islands to regu-*  
 2 *late, in accordance with their Constitutions and laws, the*  
 3 *alienation of permanent interests in real property so as to*  
 4 *restrict the acquisition of such interests to persons of Fed-*  
 5 *erated States of Micronesia citizenship and the Republic of*  
 6 *the Marshall Islands citizenship, respectively.*

7       (d) *NUCLEAR WASTE DISPOSAL.*—*In approving the*  
 8 *U.S.-FSM Compact and the U.S.-RMI Compact, the Con-*  
 9 *gress understands that the Government of the Federated*  
 10 *States of Micronesia and the Government of the Republic*  
 11 *of the Marshall Islands will not permit any other govern-*  
 12 *ment or any nongovernmental party to conduct, in the Re-*  
 13 *public of the Marshall Islands or in the Federated States*  
 14 *of Micronesia, any of the activities specified in subsection*  
 15 *(a) of section 314 of the U.S.-FSM Compact and the U.S.-*  
 16 *RMI Compact.*

17       (e) *EFFECT OF U.S.-FSM COMPACT AND U.S.-RMI*  
 18 *COMPACT ON CERTAIN U.S. AREAS; RELATED AUTHORIZA-*  
 19 *TION AND CONTINUING APPROPRIATION.*—

20               (1) *DEFINITIONS.*—*For the purposes of this sub-*  
 21 *section—*

22                       (A) *the term “affected jurisdiction” means*  
 23 *American Samoa, Guam, the Commonwealth of*  
 24 *the Northern Mariana Islands, or the State of*  
 25 *Hawaii; and*

1           (B) the term “qualified nonimmigrant”  
 2           means person admitted pursuant to section 141  
 3           of the U.S.-RMI or U.S.-FSM Compact, or sec-  
 4           tion 141 of the Palau Compact who, as of a date  
 5           referenced in the most recently published enu-  
 6           meration (i) is a resident of an affected jurisdic-  
 7           tion, and (ii) has had periods of residence in  
 8           American Samoa, Guam, the Commonwealth of  
 9           the Northern Mariana Islands, or a State of the  
 10          United States with a duration, in the aggregate,  
 11          of less than 10 years; and their children under  
 12          the age of 18 who were admitted as non-  
 13          immigrants under the U.S.-RMI Compact, the  
 14          U.S.-FSM Compact, or the Palau Compact. As  
 15          used in this subsection, the term “resident” shall  
 16          be a person who has a “residence,” as that term  
 17          is defined in section 101(a)(33) of the Immigra-  
 18          tion and Nationality Act, as amended.

19          (2) AUTHORIZATION AND CONTINUING APPRO-  
 20          PRIATION.—There is hereby authorized and appro-  
 21          priated to the Secretary of the Interior, out of any  
 22          money in the Treasury not otherwise appropriated, to  
 23          remain available until expended, for each fiscal year  
 24          from 2004 through 2023, \$15,000,000 for grants to af-  
 25          fected jurisdictions to aid in defraying costs incurred

1 *by affected jurisdictions as a result of increased de-*  
2 *mands placed on health, educational, social, or public*  
3 *safety services or infrastructure related to such serv-*  
4 *ices due to the residence in affected jurisdictions of*  
5 *qualified nonimmigrants from the Republic of the*  
6 *Marshall Islands, the Federated States of Micronesia,*  
7 *or the Republic of Palau. The grants shall be—*

8 *(A) awarded and administered by the De-*  
9 *partment of the Interior, Office of Insular Af-*  
10 *fairs, or any successor thereto, in accordance*  
11 *with regulations, policies and procedures appli-*  
12 *cable to grants so awarded and administered,*  
13 *and*

14 *(B) used only for health, educational, social,*  
15 *or public safety services, or infrastructure related*  
16 *to such services, specifically affected by qualified*  
17 *nonimmigrants.*

18 *(3) ENUMERATION.—The Secretary of the Inte-*  
19 *rior shall conduct periodic enumerations of qualified*  
20 *nonimmigrants in each affected jurisdiction. The enu-*  
21 *merations—*

22 *(A) shall be conducted at such intervals as*  
23 *the Secretary of the Interior shall determine, but*  
24 *no less frequently than every five years, begin-*  
25 *ning in fiscal year 2003;*

1           (B) shall be supervised by the United States  
2           Bureau of the Census or such other organization  
3           as the Secretary of the Interior may select; and

4           (C) after fiscal year 2003, shall be funded  
5           by the Secretary of the Interior by deducting  
6           such sums as are necessary from funds appro-  
7           priated pursuant to the authorization contained  
8           in paragraph (2) of this subsection.

9           (4) ALLOCATION.—The Secretary of the Interior  
10          shall allocate to the government of each affected juris-  
11          diction, on the basis of the results of the most recent  
12          enumeration, grants in an aggregate amount equal to  
13          the total amount of funds appropriated under para-  
14          graph (2) of this subsection, as reduced by any deduc-  
15          tions authorized by subparagraph (C) of paragraph  
16          (3) of this subsection, multiplied by a ratio derived  
17          by dividing the number of qualified nonimmigrants  
18          in such affected jurisdiction by the total number of  
19          qualified nonimmigrants in all affected jurisdictions.

20          (f) FOREIGN LOANS.—The Congress hereby reaffirms  
21          the United States position that the United States Govern-  
22          ment is not responsible for foreign loans or debt obtained  
23          by the Governments of the Federated States of Micronesia  
24          and the Republic of the Marshall Islands.



1 **SEC. 105. SUPPLEMENTAL PROVISIONS.**

2       (a) *DOMESTIC PROGRAM REQUIREMENTS.*—*Except as*  
 3 *may otherwise be provided in this joint resolution, all*  
 4 *United States Federal programs and services extended to*  
 5 *or operated in the Federated States of Micronesia or the*  
 6 *Republic of the Marshall Islands are and shall remain sub-*  
 7 *ject to all applicable criteria, standards, reporting require-*  
 8 *ments, auditing procedures, and other rules and regulations*  
 9 *applicable to such programs when operating in the United*  
 10 *States (including its territories and commonwealths).*

11       (b) *RELATIONS WITH THE FEDERATED STATES OF*  
 12 *MICRONESIA AND THE REPUBLIC OF THE MARSHALL IS-*  
 13 *LANDS.*—

14               (1) *Appropriations made pursuant to Article I*  
 15 *of Title Two and subsection (a)(2) of section 221 of*  
 16 *Article II of Title Two of the U.S.-FSM Compact and*  
 17 *the U.S.-RMI Compact shall be made to the Secretary*  
 18 *of the Interior, who shall have the authority necessary*  
 19 *to fulfill his responsibilities for monitoring and man-*  
 20 *aging the funds so appropriated consistent with the*  
 21 *U.S.-FSM Compact and the U.S.-RMI Compact, in-*  
 22 *cluding the agreements referred to in section 462(b)(4)*  
 23 *of the U.S.-FSM Compact and U.S.-RMI Compact*  
 24 *(relating to Fiscal Procedures) and the agreements re-*  
 25 *ferred to in section 462(b)(5) of the U.S.-FSM Com-*

1       *pact and the U.S.-RMI Compact (regarding the Trust*  
 2       *Fund).*

3               *(2) Appropriations made pursuant to subsections*  
 4       *(a)(1) and (a)(3) through (6) of section 221 of Article*  
 5       *II of Title Two of the U.S.-FSM Compact and sub-*  
 6       *section (a)(1) and (a)(3) through (5) of the U.S.-RMI*  
 7       *Compact shall be made directly to the agencies named*  
 8       *in those subsections.*

9               *(3) Appropriations for services and programs re-*  
 10       *ferred to in subsection (b) of section 221 of Article II*  
 11       *of Title Two of the U.S.-FSM Compact or U.S.-RMI*  
 12       *Compact and appropriations for services and pro-*  
 13       *grams referred to in sections 105(f) and 108(a) of this*  
 14       *joint resolution shall be made to the relevant agencies*  
 15       *in accordance with the terms of the appropriations*  
 16       *for such services and programs.*

17               *(4) Federal agencies providing programs and*  
 18       *services to the Federated States of Micronesia and the*  
 19       *Republic of the Marshall Islands shall coordinate with*  
 20       *the Secretaries of the Interior and State regarding*  
 21       *provision of such programs and services. The Secre-*  
 22       *taries of the Interior and State shall consult with the*  
 23       *Secretary of the Treasury regarding overall economic*  
 24       *conditions in the Federated States of Micronesia and*  
 25       *the Republic of the Marshall Islands.*

1           (5) *United States Government employees in ei-*  
2           *ther the Federated States of Micronesia or the Repub-*  
3           *lic of the Marshall Islands are subject to the authority*  
4           *of the United States Chief of Mission, including as*  
5           *elaborated in section 207 of the Foreign Service Act*  
6           *and the President's Letter of Instruction to the United*  
7           *States Chief of Mission and any order or directive of*  
8           *the President in effect from time to time.*

9           (6) *The President is hereby authorized to ap-*  
10          *point an Interagency Group on Freely Associated*  
11          *States' Affairs to provide policy guidance and rec-*  
12          *ommendations on implementation of the U.S.-FSM*  
13          *Compact and the U.S.-RMI Compact to Federal de-*  
14          *partments and agencies.*

15          (7) *The three United States appointees (United*  
16          *States chair plus two members) to the Joint Eco-*  
17          *nomic Management Committee provided for in section*  
18          *213 of the U.S.-FSM Compact and Article III of the*  
19          *U.S.-FSM Fiscal Procedures Agreement referred to in*  
20          *section 462(b)(4) of the U.S.-FSM Compact shall be*  
21          *United States Government officers or employees. The*  
22          *three United States appointees (United States chair*  
23          *plus two members) to the Joint Economic Manage-*  
24          *ment and Financial Accountability Committee pro-*  
25          *vided for in section 214 of the U.S.-RMI Compact*

1        *and Article III of the U.S.-RMI Fiscal Procedures*  
 2        *Agreement referred to in section 462(b)(4) of the U.S.-*  
 3        *RMI Compact shall be United States Government of-*  
 4        *ficers or employees.*

5                *(8) The United States voting members (United*  
 6        *States chair plus two or more members) of the Trust*  
 7        *Fund Committee appointed by the Government of the*  
 8        *United States pursuant to Article 7 of the Trust*  
 9        *Fund Agreement implementing section 215 of the*  
 10        *U.S.-FSM Compact and referred to in section*  
 11        *462(b)(5) of the U.S.-FSM Compact and any alter-*  
 12        *nates designated by the Government of the United*  
 13        *States shall be United States Government officers or*  
 14        *employees. The United States voting members (United*  
 15        *States chair plus two or more members) of the Trust*  
 16        *Fund Committee appointed by the Government of the*  
 17        *United States pursuant to Article 7 of the Trust*  
 18        *Fund Agreement implementing section 216 of the*  
 19        *U.S.-RMI Compact and referred to in section*  
 20        *462(b)(5) of the U.S.-RMI Compact and any alter-*  
 21        *nates designated by the Government of the United*  
 22        *States shall be United States Government officers or*  
 23        *employees.*

24                *(9) The Trust Fund Committee provided for in*  
 25        *Article 7 of the U.S.-FSM Trust Fund Agreement im-*

1        *plementing section 215 of the U.S.-FSM Compact*  
2        *shall be a non-profit corporation incorporated under*  
3        *the laws of the District of Columbia. To the extent*  
4        *that any law, rule, regulation or ordinance of the*  
5        *District of Columbia, or of any State or political sub-*  
6        *division thereof in which the Trust Fund Committee*  
7        *is incorporated or doing business, impedes or other-*  
8        *wise interferes with the performance of the functions*  
9        *of the Trust Fund Committee pursuant to this joint*  
10       *resolution, such law, rule, regulation, or ordinance*  
11       *shall be deemed to be preempted by this joint resolu-*  
12       *tion. The Trust Fund Committee provided for in Ar-*  
13       *ticle 7 of the U.S.-RMI Trust Fund Agreement imple-*  
14       *menting section 216 of the U.S.-RMI Compact shall*  
15       *be a non-profit corporation incorporated under the*  
16       *laws of the District of Columbia. To the extent that*  
17       *any law, rule, regulation or ordinance of the District*  
18       *of Columbia, or of any State or political subdivision*  
19       *thereof in which the Trust Fund Committee is incor-*  
20       *porated or doing business, impedes or otherwise inter-*  
21       *feres with the performance of the functions of the*  
22       *Trust Fund Committee pursuant to this joint resolu-*  
23       *tion, such law, rule, regulation, or ordinance shall be*  
24       *deemed to be preempted by this joint resolution.*

1       (c) *CONTINUING TRUST TERRITORY AUTHORIZA-*  
 2 *TION.—The authorization provided by the Act of June 30,*  
 3 *1954, as amended (68 Stat. 330) shall remain available*  
 4 *after the effective date of the Compact with respect to the*  
 5 *Federated States of Micronesia and the Republic of the Mar-*  
 6 *shall Islands for the following purposes:*

7           (1) *Prior to October 1, 1986, for any purpose*  
 8 *authorized by the Compact or the joint resolution of*  
 9 *January 14, 1986 (Public Law 99–239).*

10          (2) *Transition purposes, including but not lim-*  
 11 *ited to, completion of projects and fulfillment of com-*  
 12 *mitments or obligations; termination of the Trust*  
 13 *Territory Government and termination of the High*  
 14 *Court; health and education as a result of exceptional*  
 15 *circumstances; ex gratia contributions for the popu-*  
 16 *lations of Bikini, Enewetak, Rongelap, and Utrik;*  
 17 *and technical assistance and training in financial*  
 18 *management, program administration, and mainte-*  
 19 *nance of infrastructure, except that, for purposes of*  
 20 *an orderly reduction of United States programs and*  
 21 *services in the Federated States of Micronesia, the*  
 22 *Marshall Islands, and Palau, United States programs*  
 23 *or services not specifically authorized by the Compact*  
 24 *of Free Association or by other provisions of law may*  
 25 *continue but, unless reimbursed by the respective free-*

1        *ly associated state, not in excess of the following*  
 2        *amounts:*

3                *(A) For fiscal year 1987, an amount not to*  
 4                *exceed 75 per centum of the total amount appro-*  
 5                *priated for such programs for fiscal year 1986.*

6                *(B) For fiscal year 1988, an amount not to*  
 7                *exceed 50 per centum of the total amount appro-*  
 8                *priated for such programs for fiscal year 1986.*

9                *(C) For fiscal year 1989, an amount not to*  
 10               *exceed 25 per centum of the total amount appro-*  
 11               *priated for such programs for fiscal year 1986.*

12        *(d) SURVIVABILITY.—In furtherance of the provisions*  
 13        *of Title Four, Article V, sections 452 and 453 of the U.S.-*  
 14        *FSM Compact and the U.S.-RMI Compact, any provisions*  
 15        *of the U.S.-FSM Compact or the U.S.-RMI Compact which*  
 16        *remain effective after the termination of the U.S.-FSM*  
 17        *Compact or U.S.-RMI Compact by the act of any party*  
 18        *thereto and which are affected in any manner by provisions*  
 19        *of this title shall remain subject to such provisions.*

20        *(e) NONCOMPLIANCE SANCTIONS; ACTIONS INCOMPAT-*  
 21        *IBLE WITH UNITED STATES AUTHORITY.—The Congress*  
 22        *expresses its understanding that the Governments of the*  
 23        *Federated States of Micronesia and the Republic of the Mar-*  
 24        *shall Islands will not act in a manner incompatible with*  
 25        *the authority and responsibility of the United States for*

1 *security and defense matters in or related to the Federated*  
 2 *States of Micronesia or the Republic of the Marshall Islands*  
 3 *pursuant to the U.S.-FSM Compact or the U.S.-RMI Com-*  
 4 *pact, including the agreements referred to in sections*  
 5 *462(a)(2) of the U.S.-FSM Compact and 462(a)(5) of the*  
 6 *U.S.-RMI Compact. The Congress further expresses its in-*  
 7 *tention that any such act on the part of either such Govern-*  
 8 *ment will be viewed by the United States as a material*  
 9 *breach of the U.S.-FSM Compact or U.S.-RMI Compact.*  
 10 *The Government of the United States reserves the right in*  
 11 *the event of such a material breach of the U.S.-FSM Com-*  
 12 *pact by the Government of the Federated States of Micro-*  
 13 *nesia or the U.S.-RMI Compact by the Government of the*  
 14 *Republic of the Marshall Islands to take action, including*  
 15 *(but not limited to) the suspension in whole or in part of*  
 16 *the obligations of the Government of the United States to*  
 17 *that Government.*

18 (f) *CONTINUING PROGRAMS AND LAWS.—*

19 (1) *FEDERATED STATES OF MICRONESIA AND RE-*  
 20 *PUBLIC OF THE MARSHALL ISLANDS.—In addition to*  
 21 *the programs and services set forth in section 221 of*  
 22 *the Compact, and pursuant to section 222 of the Com-*  
 23 *pact, the programs and services of the following agen-*  
 24 *cies shall be made available to the Federated States*



1       *of Micronesia and to the Republic of the Marshall Is-*  
 2       *lands:*

3               *(A) The Legal Services Corporation.*

4               *(B) The Public Health Service.*

5               *(C) The Rural Housing Service (formerly,*  
 6       *the Farmers Home Administration) in the Mar-*  
 7       *shall Islands and each of the four States of the*  
 8       *Federated States of Micronesia: Provided, That*  
 9       *in lieu of continuation of the program in the*  
 10       *Federated States of Micronesia, the President*  
 11       *may agree to transfer to the Government of the*  
 12       *Federated States of Micronesia without cost, the*  
 13       *portfolio of the Rural Housing Service applicable*  
 14       *to the Federated States of Micronesia and pro-*  
 15       *vide such technical assistance in management of*  
 16       *the portfolio as may be requested by the Fed-*  
 17       *erated States of Micronesia).*

18               *(2) TORT CLAIMS.—The provisions of section 178*  
 19       *of the U.S.-FSM Compact and the U.S.-RMI Compact*  
 20       *regarding settlement and payment of tort claims shall*  
 21       *apply to employees of any Federal agency of the Gov-*  
 22       *ernment of the United States (and to any other per-*  
 23       *son employed on behalf of any Federal agency of the*  
 24       *Government of the United States on the basis of a*  
 25       *contractual, cooperative, or similar agreement) which*

1        *provides any service or carries out any other function*  
 2        *pursuant to or in furtherance of any provisions of the*  
 3        *U.S.-FSM Compact or the U.S.-RMI Compact or this*  
 4        *joint resolution, except for provisions of Title Three of*  
 5        *the Compact and of the subsidiary agreements related*  
 6        *to such Title, in such area to which such Agreement*  
 7        *formerly applied.*

8                (3) *PCB CLEANUP.*—*The programs and services*  
 9        *of the Environmental Protection Agency regarding*  
 10        *PCBs shall, to the extent applicable, as appropriate,*  
 11        *and in accordance with applicable law, be construed*  
 12        *to be made available to such islands.*

13                (g) *COLLEGE OF MICRONESIA.*—*Until otherwise pro-*  
 14        *vided by Act of Congress, or until termination of the U.S.-*  
 15        *FSM Compact and the U.S.-RMI Compact, the College of*  
 16        *Micronesia shall retain its status as a land-grant institu-*  
 17        *tion and its eligibility for all benefits and programs avail-*  
 18        *able to such land-grant institutions.*

19                (h) *TRUST TERRITORY DEBTS TO U.S. FEDERAL*  
 20        *AGENCIES.*—*Neither the Government of the Federated*  
 21        *States of Micronesia nor the Government of the Marshall*  
 22        *Islands shall be required to pay to any department, agency,*  
 23        *independent agency, office, or instrumentality of the United*  
 24        *States any amounts owed to such department, agency, inde-*  
 25        *pendent agency, office, or instrumentality by the Govern-*

1 *ment of the Trust Territory of the Pacific Islands as of the*  
 2 *effective date of the Compact. There is authorized to be ap-*  
 3 *propriated such sums as may be necessary to carry out the*  
 4 *purposes of this subsection.*

5       (i) *USE OF DOD MEDICAL FACILITIES.—The Sec-*  
 6 *retary of Defense is hereby authorized to cooperate with gov-*  
 7 *ernment authorities responsible for provision of medical*  
 8 *services in the Federated States of Micronesia and the Re-*  
 9 *public of the Marshall Islands in order to permit use of*  
 10 *medical facilities of the Department of Defense for persons*  
 11 *properly referred by such authorities in accordance with*  
 12 *Article XVII of the agreements referred to in section*  
 13 *462(b)(7) of the U.S.-FSM Compact and the U.S.-RMI*  
 14 *Compact. The Secretary of Health and Human Services is*  
 15 *hereby authorized and directed to continue to make the serv-*  
 16 *ices of the National Health Service Corps available to the*  
 17 *residents of the Federated States of Micronesia and the Re-*  
 18 *public of the Marshall Islands to the same extent and for*  
 19 *so long as such services are authorized to be provided to*  
 20 *persons residing in any other areas within or outside the*  
 21 *United States.*

22       (j) *TECHNICAL ASSISTANCE.—Technical assistance*  
 23 *may be provided pursuant to section 224 of the U.S.-FSM*  
 24 *Compact or the U.S.-RMI Compact by Federal agencies and*  
 25 *institutions of the Government of the United States to the*

1 *extent such assistance may be provided to States, territories,*  
 2 *or units of local government. Such assistance by the Forest*  
 3 *Service, the Natural Resources Conservation Service, the*  
 4 *USDA Resource Conservation and Development Program,*  
 5 *the Fish and Wildlife Service, the National Marine Fish-*  
 6 *eries Service, the United States Coast Guard, and the Advi-*  
 7 *sory Council on Historic Preservation, the Department of*  
 8 *the Interior, and other agencies providing assistance under*  
 9 *the National Historic Preservation Act (80 Stat. 915; 16*  
 10 *U.S.C. 470–470t), shall be on a nonreimbursable basis.*  
 11 *During the period the U.S.-FSM Compact and the U.S.-*  
 12 *RMI Compact are in effect, the grant programs under the*  
 13 *National Historic Preservation Act shall continue to apply*  
 14 *to the Federated States of Micronesia and the Republic of*  
 15 *the Marshall Islands in the same manner and to the same*  
 16 *extent as prior to the approval of the Compact. Any funds*  
 17 *provided pursuant to sections 102(a), 103(a), 103(b),*  
 18 *103(f), 103(g), 103(h), 103(j), 105(c), 105(g), 105(h),*  
 19 *105(i), 105(j), 105(k), 105(l), and 105(m) of this joint reso-*  
 20 *lution shall be in addition to and not charged against any*  
 21 *amounts to be paid to either the Federated States of Micro-*  
 22 *nesia or the Republic of the Marshall Islands pursuant to*  
 23 *the U.S.-FSM Compact, the U.S.-RMI Compact, or their*  
 24 *related subsidiary agreements.*

1       (k) *PRIOR SERVICE BENEFITS PROGRAM.*—Notwith-  
 2       standing any other provision of law, persons who on Janu-  
 3       ary 1, 1985, were eligible to receive payment under the  
 4       Prior Service Benefits Program established within the So-  
 5       cial Security System of the Trust Territory of the Pacific  
 6       Islands because of their services performed for the United  
 7       States Navy or the Government of the Trust Territory of  
 8       the Pacific Islands prior to July 1, 1968, shall continue  
 9       to receive such payments on and after the effective date of  
 10      the Compact.

11      (l) *INDEFINITE LAND USE PAYMENTS.*—There are au-  
 12      thorized to be appropriated such sums as may be necessary  
 13      to complete repayment by the United States of any debts  
 14      owed for the use of various lands in the Federated States  
 15      of Micronesia and the Marshall Islands prior to January  
 16      1, 1985.

17      (m) *COMMUNICABLE DISEASE CONTROL PROGRAM.*—  
 18      There are authorized to be appropriated for grants to the  
 19      Government of the Federated States of Micronesia such  
 20      sums as may be necessary for purposes of establishing or  
 21      continuing programs for the control and prevention of com-  
 22      municable diseases, including (but not limited to) cholera  
 23      and Hansen's Disease. The Secretary of the Interior shall  
 24      assist the Government of the Federated States of Micronesia

1 *and the Government of the Republic of the Marshall Islands*  
 2 *in designing and implementing such a program.*

3       (n) *USER FEES.*—*Any person in the Federated States*  
 4 *of Micronesia or the Republic of the Marshall Islands shall*  
 5 *be liable for user fees, if any, for services provided in the*  
 6 *Federated States of Micronesia or the Republic of the Mar-*  
 7 *shall Islands by the Government of the United States to the*  
 8 *same extent as any person in the United States would be*  
 9 *liable for fees, if any, for such services in the United States.*

10       (o) *TREATMENT OF JUDGMENTS OF COURTS OF THE*  
 11 *FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF*  
 12 *THE MARSHALL ISLANDS, AND THE REPUBLIC OF*  
 13 *PALAU.*—*No judgment, whenever issued, of a court of the*  
 14 *Federated States of Micronesia, the Republic of the Marshall*  
 15 *Islands, or the Republic of Palau, against the United*  
 16 *States, its departments and agencies, or officials of the*  
 17 *United States or any other individuals acting on behalf of*  
 18 *the United States within the scope of their official duty,*  
 19 *shall be honored by the United States, or be subject to rec-*  
 20 *ognition or enforcement in a court in the United States,*  
 21 *unless the judgment is consistent with the interpretation by*  
 22 *the United States of international agreements relevant to*  
 23 *the judgment. In determining the consistency of a judgment*  
 24 *with an international agreement, due regard shall be given*  
 25 *to assurances made by the Executive Branch to the Congress*

1 *of the United States regarding the proper interpretation of*  
 2 *the international agreement.*

3 **SEC. 106. CONSTRUCTION CONTRACT ASSISTANCE.**

4       (a) *ASSISTANCE TO U.S. FIRMS.*—*In order to assist*  
 5 *the Governments of the Federated States of Micronesia and*  
 6 *of the Republic of the Marshall Islands through private sec-*  
 7 *tor firms which may be awarded contracts for construction*  
 8 *or major repair of capital infrastructure within the Fed-*  
 9 *erated States of Micronesia or the Republic of the Marshall*  
 10 *Islands, the United States shall consult with the Govern-*  
 11 *ments of the Federated States of Micronesia and the Repub-*  
 12 *lic of the Marshall Islands with respect to any such con-*  
 13 *tracts, and the United States shall enter into agreements*  
 14 *with such firms whereby such firms will, consistent with*  
 15 *applicable requirements of such Governments—*

16               (1) *to the maximum extent possible, employ citi-*  
 17       *zens of the Federated States of Micronesia and the Re-*  
 18       *public of the Marshall Islands;*

19               (2) *to the extent that necessary skills are not pos-*  
 20       *essed by citizens of the Federated States of Micro-*  
 21       *nesia and the Republic of the Marshall Islands, pro-*  
 22       *vide on the job training, with particular emphasis on*  
 23       *the development of skills relating to operation of ma-*  
 24       *chinery and routine and preventative maintenance of*  
 25       *machinery and other facilities; and*

1           (3) *provide specific training or other assistance*  
 2           *in order to enable the Government to engage in long-*  
 3           *term maintenance of infrastructure.*

4 *Assistance by such firms pursuant to this section may not*  
 5 *exceed 20 percent of the amount of the contract and shall*  
 6 *be made available only to such firms which meet the defini-*  
 7 *tion of United States firm under the nationality rule for*  
 8 *suppliers of services of the Agency for International Devel-*  
 9 *opment (hereafter in this section referred to as “United*  
 10 *States firms”). There are authorized to be appropriated*  
 11 *such sums as may be necessary for the purposes of this sub-*  
 12 *section.*

13           (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*  
 14 *authorized to be appropriated such sums as may be nec-*  
 15 *essary to cover any additional costs incurred by the Govern-*  
 16 *ment of the Federated States of Micronesia or the Republic*  
 17 *of the Marshall Islands if such Governments, pursuant to*  
 18 *an agreement entered into with the United States, apply*  
 19 *a preference on the award of contracts to United States*  
 20 *firms, provided that the amount of such preference does not*  
 21 *exceed 10 percent of the amount of the lowest qualified bid*  
 22 *from a non-United States firm for such contract.*

23 **SEC. 107. PROHIBITION.**

24           *The provisions of chapter 11 of title 18, United States*  
 25 *Code, shall apply in full to any individual who has served*



1 *as the United States negotiator of amendments to the Com-*  
 2  *pact or its subsidiary agreements or of related agreements*  
 3  *or who is or was an officer or employee of the Office in*  
 4  *the Department of State responsible for negotiating amend-*  
 5  *ments to the Compact or its subsidiary agreements or who*  
 6  *is or was assigned or detailed to that Office or who served*  
 7  *on the interagency group coordinating United States policy*  
 8  *on the Compact negotiations.*

9 **SEC. 108. COMPENSATORY ADJUSTMENTS.**

10       (a) *ADDITIONAL PROGRAMS AND SERVICES.—In addi-*  
 11  *tion to the programs and services set forth in Section 221*  
 12  *of the U.S.-FSM Compact and the U.S.-RMI Compact, and*  
 13  *pursuant to Section 222 of the U.S.-FSM Compact and the*  
 14  *U.S.-RMI Compact, the services and programs of the fol-*  
 15  *lowing United States agencies are authorized to be made*  
 16  *available to the Federated States of Micronesia and the Re-*  
 17  *public of the Marshall Islands: the Small Business Adminis-*  
 18  *tration, Economic Development Administration, and the*  
 19  *Rural Utilities Services (formerly Rural Electrification Ad-*  
 20  *ministration); and the programs and services of the Depart-*  
 21  *ment of Labor under the Workforce Investment Act of 1998;*  
 22  *and the programs and services of the Department of Com-*  
 23  *merce relating to tourism and to marine resource develop-*  
 24  *ment.*

25       (b) *FURTHER AMOUNTS.—*

1           (1) *The joint resolution of January 14, 1986*  
2           *(Public Law 99–239) provided that the governments*  
3           *of the Federated States of Micronesia and the Mar-*  
4           *shall Islands may submit to Congress reports con-*  
5           *cerning the overall financial and economic impacts*  
6           *on such areas resulting from the effect of Title IV of*  
7           *that joint resolution upon Title Two of the Compact.*  
8           *There were authorized to be appropriated for fiscal*  
9           *years beginning after September 30, 1990, such*  
10          *amounts as necessary, but not to exceed \$40 million*  
11          *for the Federated States of Micronesia and \$20 mil-*  
12          *lion for the Marshall Islands, as provided in appro-*  
13          *propriation acts, to further compensate the governments*  
14          *of such islands (in addition to the compensation pro-*  
15          *vided in subsections (a) and (b) of section 111 of the*  
16          *joint resolution of January 14, 1986 (Public Law 99–*  
17          *239) for adverse impacts, if any, on the finances and*  
18          *economies of such areas resulting from the effect of*  
19          *Title IV of that joint resolution upon Title Two of the*  
20          *Compact. The joint resolution of January 14, 1986*  
21          *(Public Law 99–239) further provided that at the end*  
22          *of the initial fifteen-year term of the Compact, should*  
23          *any portion of the total amount of funds authorized*  
24          *in subsection 111 of that resolution not have been ap-*  
25          *propriated, such amount not yet appropriated may be*

18 *SEC. 109. AUTHORIZATION AND CONTINUING APPROPRIA-*  
19 *TION.*

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1 *Compact and sections 211, 212, 213(b), 216, and 218 of*  
 2 *the U.S.-RMI Compact, in this and subsequent years.*

3 *(b) There are authorized to be appropriated to the De-*  
 4 *partments, agencies, and instrumentalities named in para-*  
 5 *graphs (1) and (3) through (6) of section 221(a) of the U.S.-*  
 6 *FSM Compact and paragraphs (1) and (3) through (5) of*  
 7 *section 221(a) of the U.S.-RMI Compact, such sums as are*  
 8 *necessary to carry out the purposes of sections 221(a) of*  
 9 *the U.S.-FSM Compact and the U.S.-RMI Compact, to re-*  
 10 *main available until expended.*

11 **SEC. 110. PAYMENT OF CITIZENS OF THE FEDERATED**  
 12 **STATES OF MICRONESIA, THE REPUBLIC OF**  
 13 **THE MARSHALL ISLANDS, AND THE REPUBLIC**  
 14 **OF PALAU EMPLOYED BY THE GOVERNMENT**  
 15 **OF THE UNITED STATES IN THE CONTI-**  
 16 **NENTAL UNITED STATES.**

17 *Section 605 of Public Law 107–67 (the Treasury and*  
 18 *General Government Appropriations Act, 2002; 5 U.S.C.*  
 19 *3101 note) is amended by striking “or the Republic of the*  
 20 *Philippines,” in the last sentence and inserting the fol-*  
 21 *lowing: “the Republic of the Philippines, the Federated*  
 22 *States of Micronesia, the Republic of the Marshall Islands,*  
 23 *or the Republic of Palau,”.*

1 ***TITLE II—COMPACTS OF FREE***  
 2 ***ASSOCIATION WITH THE FED-***  
 3 ***ERATED STATES OF MICRO-***  
 4 ***NESIA AND THE REPUBLIC OF***  
 5 ***THE MARSHALL ISLANDS***

6 ***SEC. 201. COMPACTS OF FREE ASSOCIATION, AS AMENDED***  
 7 ***BETWEEN THE GOVERNMENT OF THE UNITED***  
 8 ***STATES OF AMERICA AND THE GOVERNMENT***  
 9 ***OF THE FEDERATED STATES OF MICRONESIA***  
 10 ***AND BETWEEN THE GOVERNMENT OF THE***  
 11 ***UNITED STATES OF AMERICA AND THE GOV-***  
 12 ***ERNMENT OF THE REPUBLIC OF THE MAR-***  
 13 ***SHALL ISLANDS.***

14 *(a) COMPACT OF FREE ASSOCIATION, AS AMENDED,*  
 15 *BETWEEN THE GOVERNMENT OF THE UNITED STATES OF*  
 16 *AMERICA AND THE GOVERNMENT OF THE FEDERATED*  
 17 *STATES OF MICRONESIA.—*

18 ***PREAMBLE***  
 19 ***THE GOVERNMENT OF THE UNITED STATES OF***  
 20 ***AMERICA AND THE GOVERNMENT OF THE***  
 21 ***FEDERATED STATES OF MICRONESIA***

22 *Affirming that their Governments and their relation-*  
 23 *ship as Governments are founded upon respect for human*  
 24 *rights and fundamental freedoms for all, and that the people*

1 *of the Federated States of Micronesia have the right to enjoy*  
2 *self-government; and*

3 *Affirming the common interests of the United States*  
4 *of America and the Federated States of Micronesia in cre-*  
5 *ating and maintaining their close and mutually beneficial*  
6 *relationship through the free and voluntary association of*  
7 *their respective Governments; and*

8 *Affirming the interest of the Government of the United*  
9 *States in promoting the economic advancement and budg-*  
10 *etary self-reliance of the Federated States of Micronesia;*  
11 *and*

12 *Recognizing that their relationship until the entry into*  
13 *force on November 3, 1986 of the Compact was based upon*  
14 *the International Trusteeship System of the United Nations*  
15 *Charter, and in particular Article 76 of the Charter; and*  
16 *that pursuant to Article 76 of the Charter, the people of*  
17 *the Federated States of Micronesia have progressively devel-*  
18 *oped their institutions of self-government, and that in the*  
19 *exercise of their sovereign right to self-determination they,*  
20 *through their freely-expressed wishes, have adopted a Con-*  
21 *stitution appropriate to their particular circumstances; and*

22 *Recognizing that the Compact reflected their common*  
23 *desire to terminate the Trusteeship and establish a govern-*  
24 *ment-to-government relationship which was in accordance*  
25 *with the new political status based on the freely expressed*

1 *wishes of the people of the Federated States of Micronesia*  
 2 *and appropriate to their particular circumstances; and*

3       *Recognizing that the people of the Federated States of*  
 4 *Micronesia have and retain their sovereignty and their sov-*  
 5 *ereign right to self-determination and the inherent right to*  
 6 *adopt and amend their own Constitution and form of gov-*  
 7 *ernment and that the approval of the entry of the Govern-*  
 8 *ment of the Federated States of Micronesia into the Com-*  
 9 *pact by the people of the Federated States of Micronesia*  
 10 *constituted an exercise of their sovereign right to self-deter-*  
 11 *mination; and*

12       *Recognizing the common desire of the people of the*  
 13 *United States and the people of the Federated States of Mi-*  
 14 *cronesia to maintain their close government-to-government*  
 15 *relationship, the United States and the Federated States of*  
 16 *Micronesia:*

17       *NOW, THEREFORE, MUTUALLY AGREE to con-*  
 18 *tinue and strengthen their relationship of free association*  
 19 *by amending the Compact, which continues to provide a*  
 20 *full measure of self-government for the people of the Fed-*  
 21 *erated States of Micronesia; and*

22       *FURTHER AGREE that the relationship of free asso-*  
 23 *ciation derives from and is as set forth in this Compact,*  
 24 *as amended, by the Governments of the United States and*  
 25 *the Federated States of Micronesia; and that, during such*

1 *relationship of free association, the respective rights and re-*  
 2 *sponsibilities of the Government of the United States and*  
 3 *the Government of the Federated States of Micronesia in*  
 4 *regard to this relationship of free association derive from*  
 5 *and are as set forth in this Compact, as amended.*

## 6 *TITLE ONE*

### 7 *GOVERNMENTAL RELATIONS*

#### 8 *Article I*

#### 9 *Self-Government*

##### 10 *Section 111*

11 *The people of the Federated States of Micronesia, act-*  
 12 *ing through the Government established under their Con-*  
 13 *stitution, are self-governing.*

#### 14 *Article II*

#### 15 *Foreign Affairs*

##### 16 *Section 121*

17 *(a) The Government of the Federated States of Micro-*  
 18 *nesia has the capacity to conduct foreign affairs and shall*  
 19 *do so in its own name and right, except as otherwise pro-*  
 20 *vided in this Compact, as amended.*

21 *(b) The foreign affairs capacity of the Government of*  
 22 *the Federated States of Micronesia includes:*

23 *(1) the conduct of foreign affairs relating to law*  
 24 *of the sea and marine resources matters, including the*  
 25 *harvesting, conservation, exploration or exploitation*



1       *of living and non-living resources from the sea, seabed*  
2       *or subsoil to the full extent recognized under inter-*  
3       *national law;*

4           (2) *the conduct of its commercial, diplomatic,*  
5       *consular, economic, trade, banking, postal, civil avia-*  
6       *tion, communications, and cultural relations, includ-*  
7       *ing negotiations for the receipt of developmental loans*  
8       *and grants and the conclusion of arrangements with*  
9       *other governments and international and intergovern-*  
10       *mental organizations, including any matters specially*  
11       *benefiting its individual citizens.*

12       (c) *The Government of the United States recognizes*  
13       *that the Government of the Federated States of Micronesia*  
14       *has the capacity to enter into, in its own name and right,*  
15       *treaties and other international agreements with govern-*  
16       *ments and regional and international organizations.*

17       (d) *In the conduct of its foreign affairs, the Govern-*  
18       *ment of the Federated States of Micronesia confirms that*  
19       *it shall act in accordance with principles of international*  
20       *law and shall settle its international disputes by peaceful*  
21       *means.*

22       *Section 122*

23       *The Government of the United States shall support ap-*  
24       *plications by the Government of the Federated States of Mi-*

1 *cronesia for membership or other participation in regional*  
 2 *or international organizations as may be mutually agreed.*

3 *Section 123*

4 *(a) In recognition of the authority and responsibility*  
 5 *of the Government of the United States under Title Three,*  
 6 *the Government of the Federated States of Micronesia shall*  
 7 *consult, in the conduct of its foreign affairs, with the Gov-*  
 8 *ernment of the United States.*

9 *(b) In recognition of the foreign affairs capacity of the*  
 10 *Government of the Federated States of Micronesia, the Gov-*  
 11 *ernment of the United States, in the conduct of its foreign*  
 12 *affairs, shall consult with the Government of the Federated*  
 13 *States of Micronesia on matters that the Government of the*  
 14 *United States regards as relating to or affecting the Govern-*  
 15 *ment of the Federated States of Micronesia.*

16 *Section 124*

17 *The Government of the United States may assist or*  
 18 *act on behalf of the Government of the Federated States of*  
 19 *Micronesia in the area of foreign affairs as may be re-*  
 20 *quested and mutually agreed from time to time. The Govern-*  
 21 *ment of the United States shall not be responsible to third*  
 22 *parties for the actions of the Government of the Federated*  
 23 *States of Micronesia undertaken with the assistance or*  
 24 *through the agency of the Government of the United States*  
 25 *pursuant to this section unless expressly agreed.*

1 *Section 125*

2       *The Government of the United States shall not be re-*  
3 *sponsible for nor obligated by any actions taken by the Gov-*  
4 *ernment of the Federated States of Micronesia in the area*  
5 *of foreign affairs, except as may from time to time be ex-*  
6 *pressly agreed.*

7 *Section 126*

8       *At the request of the Government of the Federated*  
9 *States of Micronesia and subject to the consent of the receiv-*  
10 *ing state, the Government of the United States shall extend*  
11 *consular assistance on the same basis as for citizens of the*  
12 *United States to citizens of the Federated States of Micro-*  
13 *nesia for travel outside the Federated States of Micronesia,*  
14 *the United States and its territories and possessions.*

15 *Section 127*

16       *Except as otherwise provided in this Compact, as*  
17 *amended, or its related agreements, all obligations, respon-*  
18 *sibilities, rights and benefits of the Government of the*  
19 *United States as Administering Authority which resulted*  
20 *from the application pursuant to the Trusteeship Agreement*  
21 *of any treaty or other international agreement to the Trust*  
22 *Territory of the Pacific Islands on November 2, 1986, are,*  
23 *as of that date, no longer assumed and enjoyed by the Gov-*  
24 *ernment of the United States.*

1 *Article III*  
2 *Communications*

3 *Section 131*

4 *(a) The Government of the Federated States of Micro-*  
5 *nesia has full authority and responsibility to regulate its*  
6 *domestic and foreign communications, and the Government*  
7 *of the United States shall provide communications assist-*  
8 *ance as mutually agreed.*

9 *(b) On May 24, 1993, the Government of the Federated*  
10 *States of Micronesia elected to undertake all functions pre-*  
11 *viously performed by the Government of the United States*  
12 *with respect to domestic and foreign communications, ex-*  
13 *cept for those functions set forth in a separate agreement*  
14 *entered into pursuant to this section of the Compact, as*  
15 *amended.*

16 *Section 132*

17 *The Government of the Federated States of Micronesia*  
18 *shall permit the Government of the United States to operate*  
19 *telecommunications services in the Federated States of Mi-*  
20 *cronesia to the extent necessary to fulfill the obligations of*  
21 *the Government of the United States under this Compact,*  
22 *as amended, in accordance with the terms of separate agree-*  
23 *ments entered into pursuant to this section of the Compact,*  
24 *as amended.*

*Article IV**Immigration**Section 141*

(a) *In furtherance of the special and unique relationship that exists between the United States and the Federated States of Micronesia, under the Compact, as amended, any person in the following categories may be admitted to lawfully engage in occupations, and establish residence as a nonimmigrant in the United States and its territories and possessions (the “United States”) without regard to paragraph (5) or (7)(B)(i)(II) of section 212(a) of the Immigration and Nationality Act, as amended, 8 U.S.C. 1182(a)(5) or (7)(B)(i)(II):*

(1) *a person who, on November 2, 1986, was a citizen of the Trust Territory of the Pacific Islands, as defined in Title 53 of the Trust Territory Code in force on January 1, 1979, and has become and remains a citizen of the Federated States of Micronesia;*

(2) *a person who acquires the citizenship of the Federated States of Micronesia at birth, on or after the effective date of the Constitution of the Federated States of Micronesia;*

(3) *an immediate relative of a person referred to in paragraphs (1) or (2) of this section, provided that such immediate relative is a naturalized citizen of the*

1     *Federated States of Micronesia who has been an ac-*  
2     *tual resident there for not less than five years after*  
3     *attaining such naturalization and who holds a certifi-*  
4     *cate of actual residence, and further provided, that, in*  
5     *the case of a spouse, such spouse has been married to*  
6     *the person referred to in paragraph (1) or (2) of this*  
7     *section for at least five years, and further provided,*  
8     *that the Government of the United States is satisfied*  
9     *that such naturalized citizen meets the requirement of*  
10    *subsection (b) of section 104 of Public Law 99–239 as*  
11    *it was in effect on the day prior to the effective date*  
12    *of this Compact, as amended;*

13           *(4) a naturalized citizen of the Federated States*  
14    *of Micronesia who was an actual resident there for*  
15    *not less than five years after attaining such natu-*  
16    *ralization and who satisfied these requirements as of*  
17    *April 30, 2003, who continues to be an actual resi-*  
18    *dent and holds a certificate of actual residence, and*  
19    *whose name is included in a list furnished by the*  
20    *Government of the Federated States of Micronesia to*  
21    *the Government of the United States no later than the*  
22    *effective date of the Compact, as amended, in form*  
23    *and content acceptable to the Government of the*  
24    *United States, provided, that the Government of the*  
25    *United States is satisfied that such naturalized cit-*

1        *izen meets the requirement of subsection (b) of section*  
2        *104 of Public Law 99–239 as it was in effect on the*  
3        *day prior to the effective date of this Compact, as*  
4        *amended; or*

5                *(5) an immediate relative of a citizen of the Fed-*  
6        *erated States of Micronesia, regardless of the imme-*  
7        *diate relative’s country of citizenship or period of res-*  
8        *idence in the Federated States of Micronesia, if the*  
9        *citizen of the Federated States of Micronesia is serv-*  
10       *ing on active duty in any branch of the United States*  
11       *Armed Forces, or in the active reserves.*

12        *(b) Notwithstanding subsection (a) of this section, a*  
13       *person who is coming to the United States pursuant to an*  
14       *adoption outside the United States, or for the purpose of*  
15       *adoption in the United States, is ineligible for admission*  
16       *under the Compact and the Compact, as amended. This sub-*  
17       *section shall apply to any person who is or was an appli-*  
18       *cant for admission to the United States on or after March*  
19       *1, 2003, including any applicant for admission in removal*  
20       *proceedings (including appellate proceedings) on or after*  
21       *March 1, 2003, regardless of the date such proceedings were*  
22       *commenced. This subsection shall have no effect on the abil-*  
23       *ity of the Government of the United States or any United*  
24       *States State or local government to commence or otherwise*

1 *take any action against any person or entity who has vio-*  
2 *lated any law relating to the adoption of any person.*

3 *(c) Notwithstanding subsection (a) of this section, no*  
4 *person who has been or is granted citizenship in the Fed-*  
5 *erated States of Micronesia, or has been or is issued a Fed-*  
6 *erated States of Micronesia passport pursuant to any in-*  
7 *vestment, passport sale, or similar program has been or*  
8 *shall be eligible for admission to the United States under*  
9 *the Compact or the Compact, as amended.*

10 *(d) A person admitted to the United States under the*  
11 *Compact, or the Compact, as amended, shall be considered*  
12 *to have the permission of the Government of the United*  
13 *States to accept employment in the United States. An unex-*  
14 *pired Federated States of Micronesia passport with unex-*  
15 *pired documentation issued by the Government of the*  
16 *United States evidencing admission under the Compact or*  
17 *the Compact, as amended, shall be considered to be docu-*  
18 *mentation establishing identity and employment authoriza-*  
19 *tion under section 274A(b)(1)(B) of the Immigration and*  
20 *Nationality Act, as amended, 8 U.S.C. 1324a(b)(1)(B). The*  
21 *Government of the United States will take reasonable and*  
22 *appropriate steps to implement and publicize this provi-*  
23 *sion, and the Government of the Federated States of Micro-*  
24 *nesia will also take reasonable and appropriate steps to*  
25 *publicize this provision.*



1       (e) *For purposes of the Compact and the Compact, as*  
2 *amended:*

3           (1) *the term “residence” with respect to a person*  
4 *means the person’s principal, actual dwelling place in*  
5 *fact, without regard to intent, as provided in section*  
6 *101(a)(33) of the Immigration and Nationality Act,*  
7 *as amended, 8 U.S.C. 1101(a)(33), and variations of*  
8 *the term “residence,” including “resident” and “re-*  
9 *side,” shall be similarly construed;*

10          (2) *the term “actual residence” means physical*  
11 *presence in the Federated States of Micronesia during*  
12 *eighty-five percent of the five-year period of residency*  
13 *required by section 141(a)(3) and (4);*

14          (3) *the term “certificate of actual residence”*  
15 *means a certificate issued to a naturalized citizen by*  
16 *the Government of the Federated States of Micronesia*  
17 *stating that the citizen has complied with the actual*  
18 *residence requirement of section 141(a)(3) or (4);*

19          (4) *the term “nonimmigrant” means an alien*  
20 *who is not an “immigrant” as defined in section*  
21 *101(a)(15) of such Act, 8 U.S.C. 1101(a)(15); and*

22          (5) *the term “immediate relative” means a*  
23 *spouse, or unmarried son or unmarried daughter less*  
24 *than 21 years of age.*

1       (f) *The Immigration and Nationality Act, as amended,*  
 2 *shall apply to any person admitted or seeking admission*  
 3 *to the United States (other than a United States possession*  
 4 *or territory where such Act does not apply) under the Com-*  
 5 *pact or the Compact, as amended, and nothing in the Com-*  
 6 *pact or the Compact, as amended, shall be construed to*  
 7 *limit, preclude, or modify the applicability of, with respect*  
 8 *to such person:*

9           (1) *any ground of inadmissibility or deport-*  
 10 *ability under such Act (except sections 212(a)(5) and*  
 11 *212(a)(7)(B)(i)(II) of such Act, as provided in sub-*  
 12 *section (a) of this section), and any defense thereto,*  
 13 *provided that, section 237(a)(5) of such Act shall be*  
 14 *construed and applied as if it reads as follows: “any*  
 15 *alien who has been admitted under the Compact, or*  
 16 *the Compact, as amended, who cannot show that he*  
 17 *or she has sufficient means of support in the United*  
 18 *States, is deportable”;*

19           (2) *the authority of the Government of the*  
 20 *United States under section 214(a)(1) of such Act to*  
 21 *provide that admission as a nonimmigrant shall be*  
 22 *for such time and under such conditions as the Gov-*  
 23 *ernment of the United States may by regulations pre-*  
 24 *scribe;*

1           (3) *Except for the treatment of certain docu-*  
2           *mentation for purposes of section 274A(b)(1)(B) of*  
3           *such Act as provided by subsection (d) of this section*  
4           *of the Compact, as amended, any requirement under*  
5           *section 274A, including but not limited to section*  
6           *274A(b)(1)(E);*

7           (4) *Section 643 of the Illegal Immigration Re-*  
8           *form and Immigrant Responsibility Act of 1996, Pub-*  
9           *lic Law 104–208, and actions taken pursuant to sec-*  
10          *tion 643; and*

11          (5) *the authority of the Government of the*  
12          *United States otherwise to administer and enforce the*  
13          *Immigration and Nationality Act, as amended, or*  
14          *other United States law.*

15          (g) *Any authority possessed by the Government of the*  
16          *United States under this section of the Compact or the Com-*  
17          *pact, as amended, may also be exercised by the Government*  
18          *of a territory or possession of the United States where the*  
19          *Immigration and Nationality Act, as amended, does not*  
20          *apply, to the extent such exercise of authority is lawful*  
21          *under a statute or regulation of such territory or possession*  
22          *that is authorized by the laws of the United States.*

23          (h) *Subsection (a) of this section does not confer on*  
24          *a citizen of the Federated States of Micronesia the right*  
25          *to establish the residence necessary for naturalization under*

1 *the Immigration and Nationality Act, as amended, or to*  
 2 *petition for benefits for alien relatives under that Act. Sub-*  
 3 *section (a) of this section, however, shall not prevent a cit-*  
 4 *izen of the Federated States of Micronesia from otherwise*  
 5 *acquiring such rights or lawful permanent resident alien*  
 6 *status in the United States.*

7 *Section 142*

8       *(a) Any citizen or national of the United States may*  
 9 *be admitted, to lawfully engage in occupations, and reside*  
 10 *in the Federated States of Micronesia, subject to the rights*  
 11 *of the Government of the Federated States of Micronesia to*  
 12 *deny entry to or deport any such citizen or national as*  
 13 *an undesirable alien. Any determination of inadmissibility*  
 14 *or deportability shall be based on reasonable statutory*  
 15 *grounds and shall be subject to appropriate administrative*  
 16 *and judicial review within the Federated States of Micro-*  
 17 *nesia. If a citizen or national of the United States is a*  
 18 *spouse of a citizen of the Federated States of Micronesia,*  
 19 *the Government of the Federated States of Micronesia shall*  
 20 *allow the United States citizen spouse to establish residence.*  
 21 *Should the Federated States of Micronesia citizen spouse*  
 22 *predecease the United States citizen spouse during the mar-*  
 23 *riage, the Government of the Federated States of Micronesia*  
 24 *shall allow the United States citizen spouse to continue to*  
 25 *reside in the Federated States of Micronesia.*

1       (b) *In enacting any laws or imposing any require-*  
2 *ments with respect to citizens and nationals of the United*  
3 *States entering the Federated States of Micronesia under*  
4 *subsection (a) of this section, including any grounds of in-*  
5 *admissibility or deportability, the Government of the Fed-*  
6 *erated States of Micronesia shall accord to such citizens and*  
7 *nationals of the United States treatment no less favorable*  
8 *than that accorded to citizens of other countries.*

9       (c) *Consistent with subsection (a) of this section, with*  
10 *respect to citizens and nationals of the United States seek-*  
11 *ing to engage in employment or invest in the Federated*  
12 *States of Micronesia, the Government of the Federated*  
13 *States of Micronesia shall adopt immigration-related proce-*  
14 *dures no less favorable than those adopted by the Govern-*  
15 *ment of the United States with respect to citizens of the*  
16 *Federated States of Micronesia seeking employment in the*  
17 *United States.*

18 *Section 143*

19       *Any person who relinquishes, or otherwise loses, his*  
20 *United States nationality or citizenship, or his Federated*  
21 *States of Micronesia citizenship, shall be ineligible to re-*  
22 *ceive the privileges set forth in sections 141 and 142. Any*  
23 *such person may apply for admission to the United States*  
24 *or the Federated States of Micronesia, as the case may be,*  
25 *in accordance with any other applicable laws of the United*

1 *States or the Federated States of Micronesia relating to im-*  
 2 *migration of aliens from other countries. The laws of the*  
 3 *Federated States of Micronesia or the United States, as the*  
 4 *case may be, shall dictate the terms and conditions of any*  
 5 *such person's stay.*

6 *Article V*

7 *Representation*

8 *Section 151*

9 *Relations between the Government of the United States*  
 10 *and the Government of the Federated States of Micronesia*  
 11 *shall be conducted in accordance with the Vienna Conven-*  
 12 *tion on Diplomatic Relations. In addition to diplomatic*  
 13 *missions and representation, the Governments may estab-*  
 14 *lish and maintain other offices and designate other rep-*  
 15 *resentatives on terms and in locations as may be mutually*  
 16 *agreed.*

17 *Section 152*

18 *(a) Any citizen or national of the United States who,*  
 19 *without authority of the United States, acts as the agent*  
 20 *of the Government of the Federated States of Micronesia*  
 21 *with regard to matters specified in the provisions of the*  
 22 *Foreign Agents Registration Act of 1938, as amended (22*  
 23 *U.S.C. 611 et seq.), that apply with respect to an agent*  
 24 *of a foreign principal shall be subject to the requirements*  
 25 *of such Act. Failure to comply with such requirements shall*

21 *Article VI*

22 *Environmental Protection*

23 *Section 161*

24 *The Governments of the United States and the Fed-*

25 *erated States of Micronesia declare that it is their policy*

1 *to promote efforts to prevent or eliminate damage to the*  
 2 *environment and biosphere and to enrich understanding of*  
 3 *the natural resources of the Federated States of Micronesia.*  
 4 *In order to carry out this policy, the Government of the*  
 5 *United States and the Government of the Federated States*  
 6 *of Micronesia agree to the following mutual and reciprocal*  
 7 *undertakings.*

8 *(a) The Government of the United States:*

9 *(1) shall continue to apply the environmental*  
 10 *controls in effect on November 2, 1986 to those of its*  
 11 *continuing activities subject to section 161(a)(2), un-*  
 12 *less and until those controls are modified under sec-*  
 13 *tions 161(a)(3) and 161(a)(4);*

14 *(2) shall apply the National Environmental Pol-*  
 15 *icy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321 et seq.,*  
 16 *to its activities under the Compact, as amended, and*  
 17 *its related agreements as if the Federated States of*  
 18 *Micronesia were the United States;*

19 *(3) shall comply also, in the conduct of any ac-*  
 20 *tivity requiring the preparation of an Environmental*  
 21 *Impact Statement under section 161(a)(2), with*  
 22 *standards substantively similar to those required by*  
 23 *the following laws of the United States, taking into*  
 24 *account the particular environment of the Federated*  
 25 *States of Micronesia: the Endangered Species Act of*



1       1973, as amended, 87 Stat. 884, 16 U.S.C. 1531 et  
 2       seq.; the Clean Air Act, as amended, 77 Stat. 392, 42  
 3       U.S.C. Supp. 7401 et seq.; the Clean Water Act (Fed-  
 4       eral Water Pollution Control Act), as amended, 86  
 5       Stat. 896, 33 U.S.C. 1251 et seq.; Title I of the Ma-  
 6       rine Protection, Research and Sanctuaries Act of  
 7       1972 (the Ocean Dumping Act), 33 U.S.C. 1411 et  
 8       seq.; the Toxic Substances Control Act, as amended,  
 9       15 U.S.C. 2601 et seq.; the Solid Waste Disposal Act,  
 10      as amended, 42 U.S.C. 6901 et seq.; and such other  
 11      environmental protection laws of the United States  
 12      and of the Federated States of Micronesia, as may be  
 13      mutually agreed from time to time with the Govern-  
 14      ment of the Federated States of Micronesia; and

15           (4) shall develop, prior to conducting any activ-  
 16      ity requiring the preparation of an Environmental  
 17      Impact Statement under section 161(a)(2), written  
 18      standards and procedures, as agreed with the Govern-  
 19      ment of the Federated States of Micronesia, to imple-  
 20      ment the substantive provisions of the laws made ap-  
 21      plicable to U.S. Government activities in the Fed-  
 22      erated States of Micronesia, pursuant to section  
 23      161(a)(3).

24           (b) The Government of the Federated States of Micro-  
 25      nesia shall continue to develop and implement standards

1 *and procedures to protect its environment. As a reciprocal*  
 2 *obligation to the undertakings of the Government of the*  
 3 *United States under this Article, the Federated States of*  
 4 *Micronesia, taking into account its particular environment,*  
 5 *shall continue to develop and implement standards for envi-*  
 6 *ronmental protection substantively similar to those required*  
 7 *of the Government of the United States by section 161(a)(3)*  
 8 *prior to its conducting activities in the Federated States*  
 9 *of Micronesia, substantively equivalent to activities con-*  
 10 *ducted there by the Government of the United States and,*  
 11 *as a further reciprocal obligation, shall enforce those stand-*  
 12 *ards.*

13       (c) *Section 161(a), including any standard or proce-*  
 14 *dure applicable thereunder, and section 161(b) may be*  
 15 *modified or superseded in whole or in part by agreement*  
 16 *of the Government of the United States and the Government*  
 17 *of the Federated States of Micronesia.*

18       (d) *In the event that an Environmental Impact State-*  
 19 *ment is no longer required under the laws of the United*  
 20 *States for major Federal actions significantly affecting the*  
 21 *quality of the human environment, the regulatory regime*  
 22 *established under sections 161(a)(3) and 161(a)(4) shall*  
 23 *continue to apply to such activities of the Government of*  
 24 *the United States until amended by mutual agreement.*

1       (e) *The President of the United States may exempt any*  
2 *of the activities of the Government of the United States*  
3 *under this Compact, as amended, and its related agree-*  
4 *ments from any environmental standard or procedure*  
5 *which may be applicable under sections 161(a)(3) and*  
6 *161(a)(4) if the President determines it to be in the para-*  
7 *mount interest of the Government of the United States to*  
8 *do so, consistent with Title Three of this Compact, as*  
9 *amended, and the obligations of the Government of the*  
10 *United States under international law. Prior to any deci-*  
11 *sion pursuant to this subsection, the views of the Govern-*  
12 *ment of the Federated States of Micronesia shall be sought*  
13 *and considered to the extent practicable. If the President*  
14 *grants such an exemption, to the extent practicable, a report*  
15 *with his reasons for granting such exemption shall be given*  
16 *promptly to the Government of the Federated States of Mi-*  
17 *cronesia.*

18       (f) *The laws of the United States referred to in section*  
19 *161(a)(3) shall apply to the activities of the Government*  
20 *of the United States under this Compact, as amended, and*  
21 *its related agreements only to the extent provided for in this*  
22 *section.*

23 *Section 162*

24       *The Government of the Federated States of Micronesia*  
25 *may bring an action for judicial review of any administra-*

1 *tive agency action or any activity of the Government of the*  
 2 *United States pursuant to section 161(a) for enforcement*  
 3 *of the obligations of the Government of the United States*  
 4 *arising thereunder. The United States District Court for the*  
 5 *District of Hawaii and the United States District Court*  
 6 *for the District of Columbia shall have jurisdiction over*  
 7 *such action or activity, and over actions brought under sec-*  
 8 *tion 172(b) which relate to the activities of the Government*  
 9 *of the United States and its officers and employees, gov-*  
 10 *erned by section 161, provided that:*

11           *(a) Such actions may only be civil actions for*  
 12           *any appropriate civil relief other than punitive dam-*  
 13           *ages against the Government of the United States or,*  
 14           *where required by law, its officers in their official ca-*  
 15           *pacities; no criminal actions may arise under this sec-*  
 16           *tion.*

17           *(b) Actions brought pursuant to this section may*  
 18           *be initiated only by the Government of the Federated*  
 19           *States of Micronesia.*

20           *(c) Administrative agency actions arising under*  
 21           *section 161 shall be reviewed pursuant to the stand-*  
 22           *ard of judicial review set forth in 5 U.S.C. 706.*

23           *(d) The United States District Court for the Dis-*  
 24           *trict of Hawaii and the United States District Court*  
 25           *for the District of Columbia shall have jurisdiction to*

1        *issue all necessary processes, and the Government of*  
 2        *the United States agrees to submit itself to the juris-*  
 3        *isdiction of the court; decisions of the United States*  
 4        *District Court shall be reviewable in the United*  
 5        *States Court of Appeals for the Ninth Circuit or the*  
 6        *United States Court of Appeals for the District of Co-*  
 7        *lumbia, respectively, or in the United States Supreme*  
 8        *Court as provided by the laws of the United States.*

9            *(e) The judicial remedy provided for in this sec-*  
 10        *tion shall be the exclusive remedy for the judicial re-*  
 11        *view or enforcement of the obligations of the Govern-*  
 12        *ment of the United States under this Article and ac-*  
 13        *tions brought under section 172(b) which relate to the*  
 14        *activities of the Government of the United States and*  
 15        *its officers and employees governed by section 161.*

16            *(f) In actions pursuant to this section, the Gov-*  
 17        *ernment of the Federated States of Micronesia shall be*  
 18        *treated as if it were a United States citizen.*

19    *Section 163*

20            *(a) For the purpose of gathering data necessary to*  
 21        *study the environmental effects of activities of the Govern-*  
 22        *ment of the United States subject to the requirements of this*  
 23        *Article, the Government of the Federated States of Micro-*  
 24        *nesia shall be granted access to facilities operated by the*  
 25        *Government of the United States in the Federated States*

1 of Micronesia, to the extent necessary for this purpose, ex-  
 2 cept to the extent such access would unreasonably interfere  
 3 with the exercise of the authority and responsibility of the  
 4 Government of the United States under Title Three.

5 (b) The Government of the United States, in turn, shall  
 6 be granted access to the Federated States of Micronesia for  
 7 the purpose of gathering data necessary to discharge its ob-  
 8 ligations under this Article, except to the extent such access  
 9 would unreasonably interfere with the exercise of the au-  
 10 thority and responsibility of the Government of the Fed-  
 11 erated States of Micronesia under Title One, and to the ex-  
 12 tent necessary for this purpose shall be granted access to  
 13 documents and other information to the same extent similar  
 14 access is provided the Government of the Federated States  
 15 of Micronesia under the Freedom of Information Act, 5  
 16 U.S.C. 552.

17 (c) The Government of the Federated States of Micro-  
 18 nesia shall not impede efforts by the Government of the  
 19 United States to comply with applicable standards and  
 20 procedures.

## 21 Article VII

### 22 General Legal Provisions

#### 23 Section 171

24 Except as provided in this Compact, as amended, or  
 25 its related agreements, the application of the laws of the

1 *United States to the Trust Territory of the Pacific Islands*  
2 *by virtue of the Trusteeship Agreement ceased with respect*  
3 *to the Federated States of Micronesia on November 3, 1986,*  
4 *the date the Compact went into effect.*

5 *Section 172*

6 *(a) Every citizen of the Federated States of Micronesia*  
7 *who is not a resident of the United States shall enjoy the*  
8 *rights and remedies under the laws of the United States*  
9 *enjoyed by any non-resident alien.*

10 *(b) The Government of the Federated States of Micro-*  
11 *nesia and every citizen of the Federated States of Micro-*  
12 *nesia shall be considered to be a “person” within the mean-*  
13 *ing of the Freedom of Information Act, 5 U.S.C. 552, and*  
14 *of the judicial review provisions of the Administrative Pro-*  
15 *cedure Act, 5 U.S.C. 701–706, except that only the Govern-*  
16 *ment of the Federated States of Micronesia may seek judi-*  
17 *cial review under the Administrative Procedure Act or judi-*  
18 *cial enforcement under the Freedom of Information Act*  
19 *when such judicial review or enforcement relates to the ac-*  
20 *tivities of the Government of the United States governed by*  
21 *sections 161 and 162.*

22 *Section 173*

23 *The Governments of the United States and the Fed-*  
24 *erated States of Micronesia agree to adopt and enforce such*  
25 *measures, consistent with this Compact, as amended, and*

1 *its related agreements, as may be necessary to protect the*  
 2 *personnel, property, installations, services, programs and*  
 3 *official archives and documents maintained by the Govern-*  
 4 *ment of the United States in the Federated States of Micro-*  
 5 *nesia pursuant to this Compact, as amended, and its re-*  
 6 *lated agreements and by the Government of the Federated*  
 7 *States of Micronesia in the United States pursuant to this*  
 8 *Compact, as amended, and its related agreements.*

9 *Section 174*

10 *Except as otherwise provided in this Compact, as*  
 11 *amended, and its related agreements:*

12 *(a) The Government of the Federated States of*  
 13 *Micronesia, and its agencies and officials, shall be*  
 14 *immune from the jurisdiction of the court of the*  
 15 *United States, and the Government of the United*  
 16 *States, and its agencies and officials, shall be immune*  
 17 *from the jurisdiction of the courts of the Federated*  
 18 *States of Micronesia.*

19 *(b) The Government of the United States accepts*  
 20 *responsibility for and shall pay:*

21 *(1) any unpaid money judgment rendered*  
 22 *by the High Court of the Trust Territory of the*  
 23 *Pacific Islands against the Government of the*  
 24 *United States with regard to any cause of action*  
 25 *arising as a result of acts or omissions of the*



1        *Government of the Trust Territory of the Pacific*  
2        *Islands or the Government of the United States*  
3        *prior to November 3, 1986;*

4            (2) *any claim settled by the claimant and*  
5        *the Government of the Trust Territory of the Pa-*  
6        *cific Islands but not paid as of the November 3,*  
7        *1986; and*

8            (3) *settlement of any administrative claim*  
9        *or of any action before a court of the Trust Ter-*  
10       *ritory of the Pacific Islands or the Government*  
11       *of the United States, arising as a result of acts*  
12       *or omissions of the Government of the Trust Ter-*  
13       *ritory of the Pacific Islands or the Government*  
14       *of the United States.*

15           (c) *Any claim not referred to in section 174(b)*  
16       *and arising from an act or omission of the Govern-*  
17       *ment of the Trust Territory of the Pacific Islands or*  
18       *the Government of the United States prior to the effec-*  
19       *tive date of the Compact shall be adjudicated in the*  
20       *same manner as a claim adjudicated according to sec-*  
21       *tion 174(d). In any claim against the Government of*  
22       *the Trust Territory of the Pacific Islands, the Govern-*  
23       *ment of the United States shall stand in the place of*  
24       *the Government of the Trust Territory of the Pacific*  
25       *Islands. A judgment on any claim referred to in sec-*

tion 174(b) or this subsection, not otherwise satisfied by the Government of the United States, may be presented for certification to the United States Court of Appeals for the Federal Circuit, or its successor courts, which shall have jurisdiction therefore, notwithstanding the provisions of 28 U.S.C. 1502, and which court's decisions shall be reviewable as provided by the laws of the United States. The United States Court of Appeals for the Federal Circuit shall certify such judgment, and order payment thereof, unless it finds, after a hearing, that such judgment is manifestly erroneous as to law or fact, or manifestly excessive. In either of such cases the United States Court of Appeals for the Federal Circuit shall have jurisdiction to modify such judgment.

(d) The Government of the Federated States of Micronesia shall not be immune from the jurisdiction of the courts of the United States, and the Government of the United States shall not be immune from the jurisdiction of the courts of the Federated States of Micronesia in any civil case in which an exception to foreign state immunity is set forth in the Foreign Sovereign Immunities Act (28 U.S.C. 1602 et seq.) or its successor statutes.

Section 175

1       (a) *A separate agreement, which shall come into effect*  
2 *simultaneously with this Compact, as amended, and shall*  
3 *have the force of law, shall govern mutual assistance and*  
4 *cooperation in law enforcement matters, including the pur-*  
5 *suit, capture, imprisonment and extradition of fugitives*  
6 *from justice and the transfer of prisoners, as well as other*  
7 *law enforcement matters. In the United States, the laws of*  
8 *the United States governing international extradition, in-*  
9 *cluding 18 U.S.C. 3184, 3186 and 3188–95, shall be appli-*  
10 *cable to the extradition of fugitives under the separate*  
11 *agreement, and the laws of the United States governing the*  
12 *transfer of prisoners, including 18 U.S.C. 4100–15, shall*  
13 *be applicable to the transfer of prisoners under the separate*  
14 *agreement; and*

15       (b) *A separate agreement, which shall come into effect*  
16 *simultaneously with this Compact, as amended, and shall*  
17 *have the force of law, shall govern requirements relating to*  
18 *labor recruitment practices, including registration, report-*  
19 *ing, suspension or revocation of authorization to recruit*  
20 *persons for employment in the United States, and enforce-*  
21 *ment for violations of such requirements.*

22 *Section 176*

23       *The Government of the Federated States of Micronesia*  
24 *confirms that final judgments in civil cases rendered by any*  
25 *court of the Trust Territory of the Pacific Islands shall con-*

1 *tinue in full force and effect, subject to the constitutional*  
2 *power of the courts of the Federated States of Micronesia*  
3 *to grant relief from judgments in appropriate cases.*

4 *Section 177*

5 *Section 177 of the Compact entered into force with re-*  
6 *spect to the Federated States of Micronesia on November*  
7 *3, 1986 as follows:*

8 *“(a) The Government of the United States ac-*  
9 *cepts the responsibility for compensation owing to*  
10 *citizens of the Marshall Islands, or the Federated*  
11 *States of Micronesia, or Palau for loss or damage to*  
12 *property and person of the citizens of the Marshall Is-*  
13 *lands, or the Federated States of Micronesia, resulting*  
14 *from the nuclear testing program which the Govern-*  
15 *ment of the United States conducted in the Northern*  
16 *Marshall Islands between June 30, 1946, and August*  
17 *18, 1958.*

18 *“(b) The Government of the United States and*  
19 *the Government of the Marshall Islands shall set forth*  
20 *in a separate agreement provisions for the just and*  
21 *adequate settlement of all such claims which have*  
22 *arisen in regard to the Marshall Islands and its citi-*  
23 *zens and which have not as yet been compensated or*  
24 *which in the future may arise, for the continued ad-*  
25 *ministration by the Government of the United States*

1       *of direct radiation related medical surveillance and*  
2       *treatment programs and radiological monitoring ac-*  
3       *tivities and for such additional programs and activi-*  
4       *ties as may be mutually agreed, and for the assump-*  
5       *tion by the Government of the Marshall Islands of re-*  
6       *sponsibility for enforcement of limitations on the uti-*  
7       *lization of affected areas developed in cooperation*  
8       *with the Government of the United States and for the*  
9       *assistance by the Government of the United States in*  
10       *the exercise of such responsibility as may be mutually*  
11       *agreed. This separate agreement shall come into effect*  
12       *simultaneously with this Compact and shall remain*  
13       *in effect in accordance with its own terms.*

14               *“(c) The Government of the United States shall*  
15       *provide to the Government of the Marshall Islands, on*  
16       *a grant basis, the amount of \$150 million to be paid*  
17       *and distributed in accordance with the separate*  
18       *agreement referred to in this Section, and shall pro-*  
19       *vide the services and programs set forth in this sepa-*  
20       *rate agreement, the language of which is incorporated*  
21       *into this Compact.”*

22       *The Compact, as amended, makes no changes to, and*  
23       *has no effect upon, Section 177 of the Compact, nor does*  
24       *the Compact, as amended, change or affect the separate*  
25       *agreement referred to in Section 177 of the Compact includ-*

1 *ing Articles IX and X of that separate agreement, and*  
 2 *measures taken by the parties thereunder.*

3 *Section 178*

4 *(a) The Federal agencies of the Government of the*  
 5 *United States that provide the services and related pro-*  
 6 *grams in the Federated States of Micronesia pursuant to*  
 7 *Title Two are authorized to settle and pay tort claims aris-*  
 8 *ing in the Federated States of Micronesia from the activities*  
 9 *of such agencies or from the acts or omissions of the employ-*  
 10 *ees of such agencies. Except as provided in section 178(b),*  
 11 *the provisions of 28 U.S.C. 2672 and 31 U.S.C. 1304 shall*  
 12 *apply exclusively to such administrative settlements and*  
 13 *payments.*

14 *(b) Claims under section 178(a) that cannot be settled*  
 15 *under section 178(a) shall be disposed of exclusively in ac-*  
 16 *cordance with Article II of Title Four. Arbitration awards*  
 17 *rendered pursuant to this subsection shall be paid out of*  
 18 *funds under 31 U.S.C. 1304.*

19 *(c) The Government of the United States and the Gov-*  
 20 *ernment of the Federated States of Micronesia shall, in the*  
 21 *separate agreement referred to in section 231, provide for:*

22 *(1) the administrative settlement of claims re-*  
 23 *ferred to in section 178(a), including designation of*  
 24 *local agents in each State of the Federated States of*  
 25 *Micronesia; such agents to be empowered to accept,*

1       *investigate and settle such claims, in a timely man-*  
2       *ner, as provided in such separate agreements; and*

3               *(2) arbitration, referred to in section 178(b), in*  
4       *a timely manner, at a site convenient to the claim-*  
5       *ant, in the event a claim is not otherwise settled pur-*  
6       *suant to section 178(a).*

7       *(d) The provisions of section 174(d) shall not apply*  
8       *to claims covered by this section.*

9       *(e) Except as otherwise explicitly provided by law of*  
10       *the United States, neither the Government of the United*  
11       *States, its instrumentalities, nor any person acting on be-*  
12       *half of the Government of the United States, shall be named*  
13       *a party in any action based on, or arising out of, the activ-*  
14       *ity or activities of a recipient of any grant or other assist-*  
15       *ance provided by the Government of the United States (or*  
16       *the activity or activities of the recipient's agency or any*  
17       *other person or entity acting on behalf of the recipient).*  
18       *Section 179*

19       *(a) The courts of the Federated States of Micronesia*  
20       *shall not exercise criminal jurisdiction over the Government*  
21       *of the United States, or its instrumentalities.*

22       *(b) The courts of the Federated States of Micronesia*  
23       *shall not exercise criminal jurisdiction over any person if*  
24       *the Government of the United States provides notification*  
25       *to the Government of the Federated States of Micronesia*

1 *that such person was acting on behalf of the Government*  
 2 *of the United States, for actions taken in furtherance of sec-*  
 3 *tion 221 or 224 of this amended Compact, or any other*  
 4 *provision of law authorizing financial, program, or service*  
 5 *assistance to the Federated States of Micronesia.*

## 6 *TITLE TWO*

### 7 *ECONOMIC RELATIONS*

#### 8 *Article I*

#### 9 *Grant Assistance*

#### 10 *Section 211 - Sector Grants*

11 *(a) In order to assist the Government of the Federated*  
 12 *States of Micronesia in its efforts to promote the economic*  
 13 *advancement, budgetary self-reliance, and economic self-suf-*  
 14 *ficiency of its people, and in recognition of the special rela-*  
 15 *tionship that exists between the Federated States of Micro-*  
 16 *nesia and the United States, the Government of the United*  
 17 *States shall provide assistance on a sector grant basis for*  
 18 *a period of twenty years in the amounts set forth in section*  
 19 *216, commencing on the effective date of this Compact, as*  
 20 *amended. Such grants shall be used for assistance in the*  
 21 *sectors of education, health care, private sector development,*  
 22 *the environment, public sector capacity building, and pub-*  
 23 *lic infrastructure, or for other sectors as mutually agreed,*  
 24 *with priorities in the education and health care sectors. For*  
 25 *each year such sector grant assistance is made available,*



1 *the proposed division of this amount among these sectors*  
 2 *shall be certified to the Government of the United States*  
 3 *by the Government of the Federated States of Micronesia*  
 4 *and shall be subject to the concurrence of the Government*  
 5 *of the United States. In such case, the Government of the*  
 6 *United States shall disburse the agreed upon amounts and*  
 7 *monitor the use of such sector grants in accordance with*  
 8 *the provisions of this Article and the Agreement Concerning*  
 9 *Procedures for the Implementation of United States Eco-*  
 10 *nomic Assistance Provided in the Compact, as Amended,*  
 11 *of Free Association Between the Government of the United*  
 12 *States of America and the Government of the Federated*  
 13 *States of Micronesia (“Fiscal Procedures Agreement”)*  
 14 *which shall come into effect simultaneously with this Com-*  
 15 *pact, as amended. The provision of any United States as-*  
 16 *sistance under the Compact, as amended, the Fiscal Proce-*  
 17 *dures Agreement, the Trust Fund Agreement, or any other*  
 18 *subsidiary agreement to the Compact, as amended, shall*  
 19 *constitute “a particular distribution . . . required by the*  
 20 *terms or special nature of the assistance” for purposes of*  
 21 *Article XII, section 1(b) of the Constitution of the Federated*  
 22 *States of Micronesia.*

23           (1) *EDUCATION.*—*United States grant assistance*  
 24           *shall be made available in accordance with the plan*  
 25           *described in subsection (c) of this section to support*

1       *and improve the educational system of the Federated*  
2       *States of Micronesia and develop the human, finan-*  
3       *cial, and material resources necessary for the Govern-*  
4       *ment of the Federated States of Micronesia to perform*  
5       *these services. Emphasis should be placed on advanc-*  
6       *ing a quality basic education system.*

7           (2) *HEALTH.—United States grant assistance*  
8       *shall be made available in accordance with the plan*  
9       *described in subsection (c) of this section to support*  
10      *and improve the delivery of preventive, curative and*  
11      *environmental care and develop the human, financial,*  
12      *and material resources necessary for the Government*  
13      *of the Federated States of Micronesia to perform these*  
14      *services.*

15          (3) *PRIVATE SECTOR DEVELOPMENT.—United*  
16      *States grant assistance shall be made available in ac-*  
17      *cordance with the plan described in subsection (c) of*  
18      *this section to support the efforts of the Government*  
19      *of the Federated States of Micronesia to attract for-*  
20      *oreign investment and increase indigenous business ac-*  
21      *tivity by vitalizing the commercial environment, en-*  
22      *sureing fair and equitable application of the law, pro-*  
23      *moting adherence to core labor standards, and main-*  
24      *taining progress toward privatization of state-owned*

1       *and partially state-owned enterprises, and engaging*  
2       *in other reforms.*

3           (4) *CAPACITY BUILDING IN THE PUBLIC SEC-*  
4       *TOR.—United States grant assistance shall be made*  
5       *available in accordance with the plan described in*  
6       *subsection (c) of this section to support the efforts of*  
7       *the Government of the Federated States of Micronesia*  
8       *to build effective, accountable and transparent na-*  
9       *tional, state, and local government and other public*  
10       *sector institutions and systems.*

11          (5) *ENVIRONMENT.—United States grant assist-*  
12       *ance shall be made available in accordance with the*  
13       *plan described in subsection (c) of this section to in-*  
14       *crease environmental protection; conserve and achieve*  
15       *sustainable use of natural resources; and engage in*  
16       *environmental infrastructure planning, design con-*  
17       *struction and operation.*

18          (6) *PUBLIC INFRASTRUCTURE.—*

19           (i) *U.S. annual grant assistance shall be*  
20       *made available in accordance with a list of spe-*  
21       *cific projects included in the plan described in*  
22       *subsection (c) of this section to assist the Govern-*  
23       *ment of the Federated States of Micronesia in its*  
24       *efforts to provide adequate public infrastructure.*

1                   (ii) *INFRASTRUCTURE AND MAINTENANCE*

2                   *FUND.—Five percent of the annual public infra-*  
 3                   *structure grant made available under paragraph*  
 4                   *(i) of this subsection shall be set aside, with an*  
 5                   *equal contribution from the Government of the*  
 6                   *Federated States of Micronesia, as a contribution*  
 7                   *to an Infrastructure Maintenance Fund (IMF).*  
 8                   *Administration of the Infrastructure Mainte-*  
 9                   *nance Fund shall be governed by the Fiscal Pro-*  
 10                  *cedures Agreement.*

11               (b) *HUMANITARIAN ASSISTANCE.—Federated States of*  
 12               *Micronesia Program. In recognition of the special develop-*  
 13               *ment needs of the Federated States of Micronesia, the Gov-*  
 14               *ernment of the United States shall make available to the*  
 15               *Government of the Federated States of Micronesia, on its*  
 16               *request and to be deducted from the grant amount made*  
 17               *available under subsection (a) of this section, a Humani-*  
 18               *tarian Assistance - Federated States of Micronesia*  
 19               *(“HAFSM”) Program with emphasis on health, education,*  
 20               *and infrastructure (including transportation), projects. The*  
 21               *terms and conditions of the HAFSM shall be set forth in*  
 22               *the Agreement Regarding the Military Use and Operating*  
 23               *Rights of the Government of the United States in the Gov-*  
 24               *ernment of the Federated States of Micronesia Concluded*  
 25               *Pursuant to Sections 321 and 323 of the Compact of Free*

1 *Association, as Amended which shall come into effect simul-*  
 2 *taneously with the amendments to this Compact.*

3       (c) *DEVELOPMENT PLAN.*—*The Government of the*  
 4 *Federated States of Micronesia shall prepare and maintain*  
 5 *an official overall development plan. The plan shall be stra-*  
 6 *tegic in nature, shall be continuously reviewed and updated*  
 7 *through the annual budget process, and shall make projec-*  
 8 *tions on a multi-year rolling basis. Each of the sectors*  
 9 *named in subsection (a) of this section, or other sectors as*  
 10 *mutually agreed, shall be accorded specific treatment in the*  
 11 *plan. Insofar as grants funds are involved, the plan shall*  
 12 *be subject to the concurrence of the Government of the*  
 13 *United States.*

14       (d) *DISASTER ASSISTANCE EMERGENCY FUND.*—*An*  
 15 *amount of two hundred thousand dollars (\$200,000) shall*  
 16 *be provided annually, with an equal contribution from the*  
 17 *Government of the Federated States of Micronesia, as a con-*  
 18 *tribution to a “Disaster Assistance Emergency Fund*  
 19 *(DAEF).” Any funds from the DAEF may be used only*  
 20 *for assistance and rehabilitation resulting from disasters*  
 21 *and emergencies. The funds will be accessed upon declara-*  
 22 *tion by the Government of the Federated States of Micro-*  
 23 *nesia, with the concurrence of the United States Chief of*  
 24 *Mission to the Federated States of Micronesia. The Admin-*

1 *istration of the DAEF shall be governed by the Fiscal Proce-*  
 2 *dures Agreement.*

3 *Section 212 - Accountability.*

4 *(a) Regulations and policies normally applicable to*  
 5 *United States financial assistance to its state and local gov-*  
 6 *ernments, as reflected in the Fiscal Procedures Agreement,*  
 7 *shall apply to each sector grant described in section 211,*  
 8 *and to grants administered under section 221 below, except*  
 9 *as modified in the separate agreements referred to in section*  
 10 *231 of this Compact, as amended, or by United States law.*  
 11 *The Government of the United States, after annual con-*  
 12 *sultations with the Federated States of Micronesia, may at-*  
 13 *tach reasonable terms and conditions, including annual*  
 14 *performance indicators that are necessary to ensure effective*  
 15 *use of United States assistance and reasonable progress to-*  
 16 *ward achieving program objectives. The Government of the*  
 17 *United States may seek appropriate remedies for non-*  
 18 *compliance with the terms and conditions attached to the*  
 19 *assistance, or for failure to comply with section 234, includ-*  
 20 *ing withholding assistance.*

21 *(b) The Government of the United States shall, for each*  
 22 *fiscal year of the twenty years during which assistance is*  
 23 *to be provided on a sector grant basis under section 211,*  
 24 *grant the Government of the Federated States of Micronesia*  
 25 *an amount equal to the lesser of (i) one half of the reason-*

1 *able, properly documented cost incurred during each fiscal*  
 2 *year to conduct the annual audit required under Article*  
 3 *VIII (2) of the Fiscal Procedures Agreement or (ii)*  
 4 *\$500,000. Such amount will not be adjusted for inflation*  
 5 *under section 217 or otherwise.*

6 *Section 213 - Joint Economic Management Committee*

7 *The Governments of the United States and the Fed-*  
 8 *erated States of Micronesia shall establish a Joint Economic*  
 9 *Management Committee, composed of a U.S. chair, two*  
 10 *other members from the Government of the United States*  
 11 *and two members from the Government of the Federated*  
 12 *States of Micronesia. The Joint Economic Management*  
 13 *Committee shall meet at least once each year to review the*  
 14 *audits and reports required under this Title, evaluate the*  
 15 *progress made by the Federated States of Micronesia in*  
 16 *meeting the objectives identified in its plan described in*  
 17 *subsection (c) of section 211, with particular focus on those*  
 18 *parts of the plan dealing with the sectors identified in sub-*  
 19 *section (a) of section 211, identify problems encountered,*  
 20 *and recommend ways to increase the effectiveness of U.S.*  
 21 *assistance made available under this Title. The establish-*  
 22 *ment and operations of the Joint Economic Management*  
 23 *Committee shall be governed by the Fiscal Procedures Agree-*  
 24 *ment.*

25 *Section 214 - Annual Report*

1       *The Government of the Federated States of Micronesia*  
2   *shall report annually to the President of the United States*  
3   *on the use of United States sector grant assistance and other*  
4   *assistance and progress in meeting mutually agreed pro-*  
5   *gram and economic goals. The Joint Economic Manage-*  
6   *ment Committee shall review and comment on the report*  
7   *and make appropriate recommendations based thereon.*

8   *Section 215 - Trust Fund*

9       *(a) The United States shall contribute annually for*  
10   *twenty years from the effective date of this Compact, as*  
11   *amended, in the amounts set forth in section 216 into a*  
12   *Trust Fund established in accordance with the Agreement*  
13   *Between the Government of the United States of America*  
14   *and the Government of the Federated States of Micronesia*  
15   *Implementing Section 215 and Section 216 of the Compact,*  
16   *as Amended, Regarding a Trust Fund (“Trust Fund Agree-*  
17   *ment”). Upon termination of the annual financial assist-*  
18   *ance under section 211, the proceeds of the fund shall there-*  
19   *after be used for the purposes described in section 211 or*  
20   *as otherwise mutually agreed.*

21       *(b) The United States contribution into the Trust*  
22   *Fund described in subsection(a) of this section is condi-*  
23   *tioned on the Government of the Federated States of Micro-*  
24   *nesia contributing to the Trust Fund at least \$30 million,*  
25   *prior to September 30, 2004. Any funds received by the Fed-*



1 *erated States of Micronesia under section 111 (d) of Public*  
 2 *Law 99–239 (January 14, 1986), or successor provisions,*  
 3 *would be contributed to the Trust Fund as a Federated*  
 4 *States of Micronesia contribution.*

5       (c) *The terms regarding the investment and manage-*  
 6 *ment of funds and use of the income of the Trust Fund shall*  
 7 *be set forth in the separate Trust Fund Agreement described*  
 8 *in subsection (a) of this section. Funds derived from United*  
 9 *States investment shall not be subject to Federal or state*  
 10 *taxes in the United States or the Federated States of Micro-*  
 11 *nesia. The Trust Fund Agreement shall also provide for an-*  
 12 *nual reports to the Government of the United States and*  
 13 *to the Government of the Federated States of Micronesia.*  
 14 *The Trust Fund Agreement shall provide for appropriate*  
 15 *distributions of trust fund proceeds to the Federated States*  
 16 *of Micronesia and for appropriate remedies for the failure*  
 17 *of the Federated States of Micronesia to use income of the*  
 18 *Trust Fund for the annual grant purposes set forth in sec-*  
 19 *tion 211. These remedies may include the return to the*  
 20 *United States of the present market value of its contribu-*  
 21 *tions to the Trust Fund and the present market value of*  
 22 *any undistributed income on the contributions of the*  
 23 *United States. If this Compact, as amended, is terminated,*  
 24 *the provisions of sections 451 through 453 of this Compact,*

1 *as amended, shall govern treatment of any U.S. contribu-*  
 2 *tions to the Trust Fund or accrued interest thereon.*

3 *Section 216 - Sector Grant Funding and Trust Fund Con-*  
 4 *tributions*

5 *The funds described in sections 211, 212(b) and 215*  
 6 *shall be made available as follows:*

*[In millions of dollars]*

<i>Fiscal year</i>	<i>Annual Grants Section 211</i>	<i>Audit Grant Section 212(b) (amount up to)</i>	<i>Trust Fund Section 215</i>	<i>Total</i>
2004 .....	76.2	.5	16	92.7
2005 .....	76.2	.5	16	92.7
2006 .....	76.2	.5	16	92.7
2007 .....	75.4	.5	16.8	92.7
2008 .....	74.6	.5	17.6	92.7
2009 .....	73.8	.5	18.4	92.7
2010 .....	73	.5	19.2	92.7
2011 .....	72.2	.5	20	92.7
2012 .....	71.4	.5	20.8	92.7
2013 .....	70.6	.5	21.6	92.7
2014 .....	69.8	.5	22.4	92.7
2015 .....	69	.5	23.2	92.7
2016 .....	68.2	.5	24	92.7
2017 .....	67.4	.5	24.8	92.7
2018 .....	66.6	.5	25.6	92.7
2019 .....	65.8	.5	26.4	92.7
2020 .....	65	.5	27.2	92.7
2021 .....	64.2	.5	28	92.7
2022 .....	63.4	.5	28.8	92.7
2023 .....	62.6	.5	29.6	92.7

7 *Section 217 - Inflation Adjustment*

8 *Except for the amounts provided for audits under sec-*  
 9 *tion 212(b), the amounts stated in this Title shall be ad-*  
 10 *justed for each United States Fiscal Year by the percent*  
 11 *that equals two-thirds of the percent change in the United*  
 12 *States Gross Domestic Product Implicit Price Deflator, or*  
 13 *5 percent, whichever is less in any one year, using the be-*  
 14 *ginning of Fiscal Year 2004 as a base.*

15 *Section 218 - Carry-Over of Unused Funds*

### *Services and Program Assistance*

(a) *SERVICES.*—The Government of the United States shall make available to the Federated States of Micronesia, in accordance with and to the extent provided in the Federal Programs and Services Agreement referred to in section 231, the services and related programs of:

15                   (1) *the United States Weather Service;*  
16                   (2) *the United States Postal Service;*  
17                   (3) *the United States Federal Aviation Adminis-*  
18                   *tration;*  
19                   (4) *the United States Department of Transpor-*  
20                   *tation;*  
21                   (5) *the Federal Deposit Insurance Corporation*  
22                   *(for the benefit only of the Bank of the Federated*  
23                   *States of Micronesia), and*

1           (6) *the Department of Homeland Security, and*  
2           *the United States Agency for International Develop-*  
3           *ment, Office of Foreign Disaster Assistance.*

4 *Upon the effective date of this Compact, as amended, the*  
5 *United States Departments and Agencies named or having*  
6 *responsibility to provide these services and related programs*  
7 *shall have the authority to implement the relevant provi-*  
8 *sions of the Federal Programs and Services Agreement re-*  
9 *ferred to in section 231.*

10       (b) *PROGRAMS.—*

11           (1) *With the exception of the services and pro-*  
12           *grams covered by subsection (a) of this section, and*  
13           *unless the Congress of the United States provides oth-*  
14           *erwise, the Government of the United States shall*  
15           *make available to the Federated States of Micronesia*  
16           *the services and programs that were available to the*  
17           *Federated States of Micronesia on the effective date of*  
18           *this Compact, as amended, to the extent that such*  
19           *services and programs continue to be available to*  
20           *State and local governments of the United States. As*  
21           *set forth in the Fiscal Procedures Agreement, funds*  
22           *provided under subsection (a) of section 211 will be*  
23           *considered to be local revenues of the Government of*  
24           *the Federated States of Micronesia when used as the*

1        *local share required to obtain Federal programs and*  
2        *services.*

3            *(2) Unless provided otherwise by U.S. law, the*  
4        *services and programs described in paragraph (1) of*  
5        *this subsection shall be extended in accordance with*  
6        *the terms of the Federal Programs and Services*  
7        *Agreement referred to in section 231.*

8        *(c) The Government of the United States shall have*  
9        *and exercise such authority as is necessary to carry out its*  
10       *responsibilities under this Title and the separate agree-*  
11       *ments referred to in amended section 231, including the au-*  
12       *thority to monitor and administer all service and program*  
13       *assistance provided by the United States to the Federated*  
14       *States of Micronesia. The Federal Programs and Services*  
15       *Agreement referred to in amended section 231 shall also set*  
16       *forth the extent to which services and programs shall be pro-*  
17       *vided to the Federated States of Micronesia.*

18       *(d) Except as provided elsewhere in this Compact, as*  
19       *amended, under any separate agreement entered into under*  
20       *this Compact, as amended, or otherwise under U.S. law,*  
21       *all Federal domestic programs extended to or operating in*  
22       *the Federated States of Micronesia shall be subject to all*  
23       *applicable criteria, standards, reporting requirements, au-*  
24       *ditng procedures, and other rules and regulations applica-*

1 *ble to such programs and services when operating in the*  
 2 *United States.*

3 *(e) The Government of the United States shall make*  
 4 *available to the Federated States of Micronesia alternate en-*  
 5 *ergy development projects, studies, and conservation meas-*  
 6 *ures to the extent provided for the Freely Associated States*  
 7 *in the laws of the United States.*

8 *Section 222*

9 *The Government of the United States and the Govern-*  
 10 *ment of the Federated States of Micronesia may agree from*  
 11 *time to time to extend to the Federated States of Micronesia*  
 12 *additional United States grant assistance, services and pro-*  
 13 *grams, as provided under the laws of the United States.*  
 14 *Unless inconsistent with such laws, or otherwise specifically*  
 15 *precluded by the Government of the United States at the*  
 16 *time such additional grant assistance, services, or programs*  
 17 *are extended, the Federal Programs and Services Agreement*  
 18 *referred to section 231 shall apply to any such assistance,*  
 19 *services or programs.*

20 *Section 223*

21 *The Government of the Federated States of Micronesia*  
 22 *shall make available to the Government of the United States*  
 23 *at no cost such land as may be necessary for the operations*  
 24 *of the services and programs provided pursuant to this Arti-*  
 25 *cle, and such facilities as are provided by the Government*

1 *of the Federated States of Micronesia at no cost to the Gov-*  
2 *ernment of the United States as of the effective date of this*  
3 *Compact, as amended, or as may be mutually agreed there-*  
4 *after.*

5 *Section 224*

6       *The Government of the Federated States of Micronesia*  
7 *may request, from time to time, technical assistance from*  
8 *the Federal agencies and institutions of the Government of*  
9 *the United States, which are authorized to grant such tech-*  
10 *nical assistance in accordance with its laws. If technical*  
11 *assistance is granted pursuant to such a request, the Gov-*  
12 *ernment of the United States shall provide the technical as-*  
13 *sistance in a manner which gives priority consideration to*  
14 *the Federated States of Micronesia over other recipients not*  
15 *a part of the United States, its territories or possessions,*  
16 *and equivalent consideration to the Federated States of Mi-*  
17 *cronesia with respect to other states in Free Association*  
18 *with the United States. Such assistance shall be made avail-*  
19 *able on a reimbursable or non-reimbursable basis to the ex-*  
20 *tent provided by United States law.*

21                       *Article III*

22                       *Administrative Provisions*

23 *Section 231*

24       *The specific nature, extent and contractual arrange-*  
25 *ments of the services and programs provided for in section*

1 *221 of this Compact, as amended, as well as the legal status*  
 2 *of agencies of the Government of the United States, their*  
 3 *civilian employees and contractors, and the dependents of*  
 4 *such personnel while present in the Federated States of Mi-*  
 5 *cronesia, and other arrangements in connection with the*  
 6 *assistance, services, or programs furnished by the Govern-*  
 7 *ment of the United States, are set forth in a Federal Pro-*  
 8 *grams and Services Agreement which shall come into effect*  
 9 *simultaneously with this Compact, as amended.*

10 *Section 232*

11 *The Government of the United States, in consultation*  
 12 *with the Government of the Federated States of Micronesia,*  
 13 *shall determine and implement procedures for the periodic*  
 14 *audit of all grants and other assistance made under Article*  
 15 *I of this Title and of all funds expended for the services*  
 16 *and programs provided under Article II of this Title. Fur-*  
 17 *ther, in accordance with the Fiscal Procedures Agreement*  
 18 *described in subsection (a) of section 211, the Comptroller*  
 19 *General of the United States shall have such powers and*  
 20 *authorities as described in sections 102 (c) and 110 (c) of*  
 21 *Public Law 99-239, 99 Stat. 1777-78, and 99 Stat. 1799*  
 22 *(January 14, 1986).*

23 *Section 233*

24 *Approval of this Compact, as amended, by the Govern-*  
 25 *ment of the United States, in accordance with its constitu-*



1 tional processes, shall constitute a pledge by the United  
 2 States that the sums and amounts specified as sector grants  
 3 in section 211 of this Compact, as amended, shall be appro-  
 4 priated and paid to the Federated States of Micronesia for  
 5 such period as those provisions of this Compact, as amend-  
 6 ed, remain in force, subject to the terms and conditions of  
 7 this Title and related subsidiary agreements.

8 *Section 234*

9       *The Government of the Federated States of Micronesia*  
 10 *pledges to cooperate with, permit, and assist if reasonably*  
 11 *requested, designated and authorized representatives of the*  
 12 *Government of the United States charged with investigating*  
 13 *whether Compact funds, or any other assistance authorized*  
 14 *under this Compact, as amended, have, or are being, used*  
 15 *for purposes other than those set forth in this Compact, as*  
 16 *amended, or its subsidiary agreements. In carrying out this*  
 17 *investigative authority, such United States Government*  
 18 *representatives may request that the Government of the Fed-*  
 19 *erated States of Micronesia subpoena documents and*  
 20 *records and compel testimony in accordance with the laws*  
 21 *and Constitution of the Federated States of Micronesia.*  
 22 *Such assistance by the Government of the Federated States*  
 23 *of Micronesia to the Government of the United States shall*  
 24 *not be unreasonably withheld. The obligation of the Govern-*  
 25 *ment of the Federated States of Micronesia to fulfill its*

1 *pledge herein is a condition to its receiving payment of such*  
 2 *funds or other assistance authorized under this Compact,*  
 3 *as amended. The Government of the United States shall pay*  
 4 *any reasonable costs for extraordinary services executed by*  
 5 *the Government of the Federated States of Micronesia in*  
 6 *carrying out the provisions of this section.*

#### 7 *Article IV*

#### 8 *Trade*

#### 9 *Section 241*

10 *The Federated States of Micronesia is not included in*  
 11 *the customs territory of the United States.*

#### 12 *Section 242*

13 *The President shall proclaim the following tariff treat-*  
 14 *ment for articles imported from the Federated States of Mi-*  
 15 *cronesia which shall apply during the period of effectiveness*  
 16 *of this title:*

17 *(a) Unless otherwise excluded, articles imported*  
 18 *from the Federated States of Micronesia, subject to the*  
 19 *limitations imposed under section 503(b) of title V of*  
 20 *the Trade Act of 1974 (19 U.S.C. 2463(b)), shall be*  
 21 *exempt from duty.*

22 *(b) Only tuna in airtight containers provided for*  
 23 *in heading 1604.14.22 of the Harmonized Tariff*  
 24 *Schedule of the United States that is imported from*  
 25 *the Federated States of Micronesia and the Republic*

1        *of the Marshall Islands during any calendar year not*  
 2        *to exceed 10 percent of apparent United States con-*  
 3        *sumption of tuna in airtight containers during the*  
 4        *immediately preceding calendar year, as reported by*  
 5        *the National Marine Fisheries Service, shall be ex-*  
 6        *empt from duty; but the quantity of tuna given duty-*  
 7        *free treatment under this paragraph for any calendar*  
 8        *year shall be counted against the aggregated quantity*  
 9        *of tuna in airtight containers that is dutiable under*  
 10       *rate column numbered 1 of such heading 1604.14.22*  
 11       *for that calendar year.*

12            *(c) The duty-free treatment provided under sub-*  
 13        *section (a) shall not apply to—*

14            *(1) watches, clocks, and timing apparatus*  
 15        *provided for in Chapter 91, excluding heading*  
 16        *9113, of the Harmonized Tariff Schedule of the*  
 17        *United States;*

18            *(2) buttons (whether finished or not fin-*  
 19        *ished) provided for in items 9606.21.40 and*  
 20        *9606.29.20 of such Schedule;*

21            *(3) textile and apparel articles which are*  
 22        *subject to textile agreements; and*

23            *(4) footwear, handbags, luggage, flat goods,*  
 24        *work gloves, and leather wearing apparel which*  
 25        *were not eligible articles for purposes of title V*

1           *of the Trade Act of 1974 (19 U.S.C. 2461, et*  
2           *seq.) on April 1, 1984.*

3           *(d) If the cost or value of materials produced in*  
4           *the customs territory of the United States is included*  
5           *with respect to an eligible article which is a product*  
6           *of the Federated States of Micronesia, an amount not*  
7           *to exceed 15 percent of the appraised value of the arti-*  
8           *cle at the time it is entered that is attributable to*  
9           *such United States cost or value may be applied for*  
10          *duty assessment purposes toward determining the per-*  
11          *centage referred to in section 503(a)(2) of title V of*  
12          *the Trade Act of 1974.*

13 *Section 243*

14          *Articles imported from the Federated States of Micro-*  
15          *nesia which are not exempt from duty under subsections*  
16          *(a), (b), (c), and (d) of section 242 shall be subject to the*  
17          *rates of duty set forth in column numbered 1-general of the*  
18          *Harmonized Tariff Schedule of the United States*  
19          *(HTSUS).*

20 *Section 244*

21          *(a) All products of the United States imported into*  
22          *the Federated States of Micronesia shall receive treatment*  
23          *no less favorable than that accorded like products of any*  
24          *foreign country with respect to customs duties or charges*  
25          *of a similar nature and with respect to laws and regula-*

1 *tions relating to importation, exportation, taxation, sale,*  
 2 *distribution, storage or use.*

3 *(b) The provisions of subsection (a) shall not apply*  
 4 *to advantages accorded by the Federated States of Micro-*  
 5 *nesia by virtue of their full membership in the Pacific Is-*  
 6 *land Countries Trade Agreement (PICTA), done on August*  
 7 *18, 2001, to those governments listed in Article 26 of*  
 8 *PICTA, as of the date the Compact, as amended, is signed.*

9 *(c) Prior to entering into consultations on, or con-*  
 10 *cluding, a free trade agreement with governments not listed*  
 11 *in Article 26 of PICTA, the Federated States of Micronesia*  
 12 *shall consult with the United States regarding whether or*  
 13 *how subsection (a) of section 244 shall be applied.*

## 14 *Article V*

### 15 *Finance and Taxation*

#### 16 *Section 251*

17 *The currency of the United States is the official circu-*  
 18 *lating legal tender of the Federated States of Micronesia.*  
 19 *Should the Government of the Federated States of Micro-*  
 20 *nesia act to institute another currency, the terms of an ap-*  
 21 *propriate currency transitional period shall be as agreed*  
 22 *with the Government of the United States.*

#### 23 *Section 252*

24 *The Government of the Federated States of Micronesia*  
 25 *may, with respect to United States persons, tax income de-*

1 rived from sources within its respective jurisdiction, prop-  
 2 erty situated therein, including transfers of such property  
 3 by gift or at death, and products consumed therein, in such  
 4 manner as the Government of the Federated States of Micro-  
 5 nesia deems appropriate. The determination of the source  
 6 of any income, or the situs of any property, shall for pur-  
 7 poses of this Compact be made according to the United  
 8 States Internal Revenue Code.

9 *Section 253*

10 *A citizen of the Federated States of Micronesia, domi-*  
 11 *ciled therein, shall be exempt from estate, gift, and genera-*  
 12 *tion-skipping transfer taxes imposed by the Government of*  
 13 *the United States, provided that such citizen of the Fed-*  
 14 *erated States of Micronesia is neither a citizen nor a resi-*  
 15 *dent of the United States.*

16 *Section 254*

17 *(a) In determining any income tax imposed by the*  
 18 *Government of the Federated States of Micronesia, the Gov-*  
 19 *ernment of the Federated States of Micronesia shall have*  
 20 *authority to impose tax upon income derived by a resident*  
 21 *of the Federated States of Micronesia from sources without*  
 22 *the Federated States of Micronesia, in the same manner and*  
 23 *to the same extent as the Government of the Federated*  
 24 *States of Micronesia imposes tax upon income derived from*  
 25 *within its own jurisdiction. If the Government of the Fed-*

1 *erated States of Micronesia exercises such authority as pro-*  
 2 *vided in this subsection, any individual resident of the Fed-*  
 3 *erated States of Micronesia who is subject to tax by the Gov-*  
 4 *ernment of the United States on income which is also taxed*  
 5 *by the Government of the Federated States of Micronesia*  
 6 *shall be relieved of liability to the Government of the United*  
 7 *States for the tax which, but for this subsection, would oth-*  
 8 *erwise be imposed by the Government of the United States*  
 9 *on such income. However, the relief from liability to the*  
 10 *United States Government referred to in the preceding sen-*  
 11 *tence means only relief in the form of the foreign tax credit*  
 12 *(or deduction in lieu thereof) available with respect to the*  
 13 *income taxes of a possession of the United States, and relief*  
 14 *in the form of the exclusion under section 911 of the Inter-*  
 15 *nal Revenue Code of 1986. For purposes of this section, the*  
 16 *term “resident of the Federated States of Micronesia” shall*  
 17 *be deemed to include any person who was physically present*  
 18 *in the Federated States of Micronesia for a period of 183*  
 19 *or more days during any taxable year.*

20       (b) *If the Government of the Federated States of Micro-*  
 21 *nesia subjects income to taxation substantially similar to*  
 22 *that imposed by the Trust Territory Code in effect on Janu-*  
 23 *ary 1, 1980, such Government shall be deemed to have exer-*  
 24 *cised the authority described in section 254(a).*

25 *Section 255*

1       *For purposes of section 274(h)(3)(A) of the United*  
 2       *States Internal Revenue Code of 1986, the term “North*  
 3       *American Area” shall include the Federated States of Mi-*  
 4       *cronesia.*

### 5                               *TITLE THREE*

## 6                   *SECURITY AND DEFENSE RELATIONS*

### 7                               *Article I*

#### 8                               *Authority and Responsibility*

#### 9       *Section 311*

10       *(a) The Government of the United States has full au-*  
 11       *thority and responsibility for security and defense matters*  
 12       *in or relating to the Federated States of Micronesia.*

13       *(b) This authority and responsibility includes:*

14               *(1) the obligation to defend the Federated States*  
 15       *of Micronesia and its people from attack or threats*  
 16       *thereof as the United States and its citizens are de-*  
 17       *fended;*

18               *(2) the option to foreclose access to or use of the*  
 19       *Federated States of Micronesia by military personnel*  
 20       *or for the military purposes of any third country;*  
 21       *and*

22               *(3) the option to establish and use military areas*  
 23       *and facilities in the Federated States of Micronesia,*  
 24       *subject to the terms of the separate agreements re-*  
 25       *ferred to in sections 321 and 323.*



1       (c) *The Government of the United States confirms that*  
2 *it shall act in accordance with the principles of inter-*  
3 *national law and the Charter of the United Nations in the*  
4 *exercise of this authority and responsibility.*

5 *Section 312*

6       *Subject to the terms of any agreements negotiated in*  
7 *accordance with sections 321 and 323, the Government of*  
8 *the United States may conduct within the lands, waters and*  
9 *airspace of the Federated States of Micronesia the activities*  
10 *and operations necessary for the exercise of its authority*  
11 *and responsibility under this Title.*

12 *Section 313*

13       (a) *The Government of the Federated States of Micro-*  
14 *nesia shall refrain from actions that the Government of the*  
15 *United States determines, after appropriate consultation*  
16 *with that Government, to be incompatible with its authority*  
17 *and responsibility for security and defense matters in or*  
18 *relating to the Federated States of Micronesia.*

19       (b) *The consultations referred to in this section shall*  
20 *be conducted expeditiously at senior levels of the two Gov-*  
21 *ernments, and the subsequent determination by the Govern-*  
22 *ment of the United States referred to in this section shall*  
23 *be made only at senior interagency levels of the Government*  
24 *of the United States.*

1       (c) *The Government of the Federated States of Micro-*  
2 *nesia shall be afforded, on an expeditious basis, an oppor-*  
3 *tunity to raise its concerns with the United States Sec-*  
4 *retary of State personally and the United States Secretary*  
5 *of Defense personally regarding any determination made*  
6 *in accordance with this section.*

7 *Section 314*

8       (a) *Unless otherwise agreed, the Government of the*  
9 *United States shall not, in the Federated States of Micro-*  
10 *nesia:*

11           (1) *test by detonation or dispose of any nuclear*  
12 *weapon, nor test, dispose of, or discharge any toxic*  
13 *chemical or biological weapon; or*

14           (2) *test, dispose of, or discharge any other radio-*  
15 *active, toxic chemical or biological materials in an*  
16 *amount or manner which would be hazardous to pub-*  
17 *lic health or safety.*

18       (b) *Unless otherwise agreed, other than for transit or*  
19 *overflight purposes or during time of a national emergency*  
20 *declared by the President of the United States, a state of*  
21 *war declared by the Congress of the United States or as*  
22 *necessary to defend against an actual or impending armed*  
23 *attack on the United States, the Federated States of Micro-*  
24 *nesia or the Republic of the Marshall Islands, the Govern-*  
25 *ment of the United States shall not store in the Federated*

1 *States of Micronesia or the Republic of the Marshall Islands*  
2 *any toxic chemical weapon, nor any radioactive materials*  
3 *nor any toxic chemical materials intended for weapons use.*

4 (c) *Radioactive, toxic chemical, or biological materials*  
5 *not intended for weapons use shall not be affected by section*  
6 *314(b).*

7 (d) *No material or substance referred to in this section*  
8 *shall be stored in the Federated States of Micronesia except*  
9 *in an amount and manner which would not be hazardous*  
10 *to public health or safety. In determining what shall be an*  
11 *amount or manner which would be hazardous to public*  
12 *health or safety under this section, the Government of the*  
13 *United States shall comply with any applicable mutual*  
14 *agreement, international guidelines accepted by the Govern-*  
15 *ment of the United States, and the laws of the United States*  
16 *and their implementing regulations.*

17 (e) *Any exercise of the exemption authority set forth*  
18 *in section 161(e) shall have no effect on the obligations of*  
19 *the Government of the United States under this section or*  
20 *on the application of this subsection.*

21 (f) *The provisions of this section shall apply in the*  
22 *areas in which the Government of the Federated States of*  
23 *Micronesia exercises jurisdiction over the living resources*  
24 *of the seabed, subsoil or water column adjacent to its coasts.*

25 *Section 315*

11           *The authority and responsibility of the Government of*  
12 *the United States under this Title may not be transferred*  
13 *or otherwise assigned.*

15 *Defense Facilities and Operating Rights*

(a) *Specific arrangements for the establishment and use by the Government of the United States of military areas and facilities in the Federated States of Micronesia are set forth in separate agreements, which shall remain in effect in accordance with the terms of such agreements.*

(b) *If, in the exercise of its authority and responsibility under this Title, the Government of the United States requires the use of areas within the Federated States of Micronesia in addition to those for which specific arrangements*

1 are concluded pursuant to section 321(a), it may request  
 2 the Government of the Federated States of Micronesia to  
 3 satisfy those requirements through leases or other arrange-  
 4 ments. The Government of the Federated States of Micro-  
 5 nesia shall sympathetically consider any such request and  
 6 shall establish suitable procedures to discuss it with and  
 7 provide a prompt response to the Government of the United  
 8 States.

9 (c) The Government of the United States recognizes  
 10 and respects the scarcity and special importance of land  
 11 in the Federated States of Micronesia. In making any re-  
 12 quests pursuant to section 321(b), the Government of the  
 13 United States shall follow the policy of requesting the min-  
 14 imum area necessary to accomplish the required security  
 15 and defense purpose, of requesting only the minimum inter-  
 16 est in real property necessary to support such purpose, and  
 17 of requesting first to satisfy its requirement through public  
 18 real property, where available, rather than through private  
 19 real property.

#### 20 Section 322

21 The Government of the United States shall provide and  
 22 maintain fixed and floating aids to navigation in the Fed-  
 23 erated States of Micronesia at least to the extent necessary  
 24 for the exercise of its authority and responsibility under  
 25 this Title.

1 *Section 323*

2       *The military operating rights of the Government of the*  
 3 *United States and the legal status and contractual arrange-*  
 4 *ments of the United States Armed Forces, their members,*  
 5 *and associated civilians, while present in the Federated*  
 6 *States of Micronesia are set forth in separate agreements,*  
 7 *which shall remain in effect in accordance with the terms*  
 8 *of such agreements.*

9                                   *Article III*

10 *Defense Treaties and International Security Agreements*

11 *Section 331*

12       *Subject to the terms of this Compact, as amended, and*  
 13 *its related agreements, the Government of the United States,*  
 14 *exclusively, has assumed and enjoys, as to the Federated*  
 15 *States of Micronesia, all obligations, responsibilities, rights*  
 16 *and benefits of:*

17       *(a) Any defense treaty or other international security*  
 18 *agreement applied by the Government of the United States*  
 19 *as Administering Authority of the Trust Territory of the*  
 20 *Pacific Islands as of November 2, 1986.*

21       *(b) Any defense treaty or other international security*  
 22 *agreement to which the Government of the United States*  
 23 *is or may become a party which it determines to be applica-*  
 24 *ble in the Federated States of Micronesia. Such a deter-*  
 25 *mination by the Government of the United States shall be*

1 *preceded by appropriate consultation with the Government*  
2 *of the Federated States of Micronesia.*

3 *Article IV*

4 *Service in Armed Forces of the United States*

5 *Section 341*

6 *Any person entitled to the privileges set forth in Sec-*  
7 *tion 141 (with the exception of any person described in sec-*  
8 *tion 141(a)(5) who is not a citizen of the Federated States*  
9 *of Micronesia) shall be eligible to volunteer for service in*  
10 *the Armed Forces of the United States, but shall not be sub-*  
11 *ject to involuntary induction into military service of the*  
12 *United States as long as such person has resided in the*  
13 *United States for a period of less than one year, provided*  
14 *that no time shall count towards this one year while a per-*  
15 *son admitted to the United States under the Compact, or*  
16 *the Compact, as amended, is engaged in full-time study in*  
17 *the United States. Any person described in section*  
18 *141(a)(5) who is not a citizen of the Federated States of*  
19 *Micronesia shall be subject to United States laws relating*  
20 *to selective service.*

21 *Section 342*

22 *The Government of the United States shall have en-*  
23 *rolled, at any one time, at least one qualified student from*  
24 *the Federated States of Micronesia, as may be nominated*

5       (b) *The United States Merchant Marine Academy pur-*  
6 *suant to 46 U.S.C. 1295(b)(6), provided that the provisions*  
7 *of 46 U.S.C. 1295b(b)(6)(C) shall not apply to the enroll-*  
8 *ment of students pursuant to section 342(b) of this Com-*  
9 *pact, as amended.*

## General Provisions

(a) *The Government of the United States and the Government of the Federated States of Micronesia shall continue to maintain a Joint Committee empowered to consider disputes arising under the implementation of this Compact and its related agreements.*

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1       (c) *Unless otherwise mutually agreed, the Joint Com-*  
2 *mittee shall meet annually at a time and place to be des-*  
3 *ignated, after appropriate consultation, by the Government*  
4 *of the United States. The Joint Committee also shall meet*  
5 *promptly upon request of either of its members. The Joint*  
6 *Committee shall follow such procedures, including the estab-*  
7 *lishment of functional subcommittees, as the members may*  
8 *from time to time agree. Upon notification by the Govern-*  
9 *ment of the United States, the Joint Committee of the*  
10 *United States and the Federated States of Micronesia shall*  
11 *meet promptly in a combined session with the Joint Com-*  
12 *mittee established and maintained by the Government of*  
13 *the United States and the Republic of the Marshall Islands*  
14 *to consider matters within the jurisdiction of the two Joint*  
15 *Committees.*

16       (d) *Unresolved issues in the Joint Committee shall be*  
17 *referred to the Governments for resolution, and the Govern-*  
18 *ment of the Federated States of Micronesia shall be afforded,*  
19 *on an expeditious basis, an opportunity to raise its con-*  
20 *cerns with the United States Secretary of Defense person-*  
21 *ally regarding any unresolved issue which threatens its con-*  
22 *tinued association with the Government of the United*  
23 *States.*

24 *Section 352*

1        *In the exercise of its authority and responsibility*  
 2   *under Title Three, the Government of the United States*  
 3   *shall accord due respect to the authority and responsibility*  
 4   *of the Government of the Federated States of Micronesia*  
 5   *under Titles One, Two and Four and to the responsibility*  
 6   *of the Government of the Federated States of Micronesia to*  
 7   *assure the well-being of its people.*

8   *Section 353*

9        *(a) The Government of the United States shall not in-*  
 10   *clude the Government of the Federated States of Micronesia*  
 11   *as a named party to a formal declaration of war, without*  
 12   *that Government's consent.*

13        *(b) Absent such consent, this Compact, as amended, is*  
 14   *without prejudice, on the ground of belligerence or the exist-*  
 15   *ence of a state of war, to any claims for damages which*  
 16   *are advanced by the citizens, nationals or Government of*  
 17   *the Federated States of Micronesia, which arise out of*  
 18   *armed conflict subsequent to November 3, 1986, and which*  
 19   *are:*

20            *(1) petitions to the Government of the United*  
 21   *States for redress; or*

22            *(2) claims in any manner against the govern-*  
 23   *ment, citizens, nationals or entities of any third*  
 24   *country.*

1       (c) *Petitions under section 353(b)(1) shall be treated*  
 2 *as if they were made by citizens of the United States.*

3 *Section 354*

4       (a) *The Government of the United States and the Gov-*  
 5 *ernment of the Federated States of Micronesia are jointly*  
 6 *committed to continue their security and defense relations,*  
 7 *as set forth in this Title. Accordingly, it is the intention*  
 8 *of the two countries that the provisions of this Title shall*  
 9 *remain binding as long as this Compact, as amended, re-*  
 10 *mains in effect, and thereafter as mutually agreed, unless*  
 11 *earlier terminated by mutual agreement pursuant to section*  
 12 *441, or amended pursuant to Article III of Title Four. If*  
 13 *at any time the Government of the United States, or the*  
 14 *Government of the Federated States of Micronesia, acting*  
 15 *unilaterally, terminates this Title, such unilateral termi-*  
 16 *nation shall be considered to be termination of the entire*  
 17 *Compact, in which case the provisions of section 442 and*  
 18 *452 (in the case of termination by the Government of the*  
 19 *United States) or sections 443 and 453 (in the case of ter-*  
 20 *mination by the Government of the Federated States of Mi-*  
 21 *cronesia), with the exception of paragraph (3) of subsection*  
 22 *(a) of section 452 or paragraph (3) of subsection (a) of sec-*  
 23 *tion 453, as the case may be, shall apply.*

24       (b) *The Government of the United States recognizes,*  
 25 *in view of the special relationship between the Government*

1 *of the United States and the Government of the Federated*  
2 *States of Micronesia, and in view of the existence of the*  
3 *separate agreement regarding mutual security concluded*  
4 *with the Government of the Federated States of Micronesia*  
5 *pursuant to sections 321 and 323, that, even if this Title*  
6 *should terminate, any attack on the Federated States of Mi-*  
7 *cronesia during the period in which such separate agree-*  
8 *ment is in effect, would constitute a threat to the peace and*  
9 *security of the entire region and a danger to the United*  
10 *States. In the event of such an attack, the Government of*  
11 *the United States would take action to meet the danger to*  
12 *the United States and to the Federated States of Micronesia*  
13 *in accordance with its constitutional processes.*

14       (c) *As reflected in Article 21(1)(b) of the Trust Fund*  
15 *Agreement, the Government of the United States and the*  
16 *Government of the Federated States of Micronesia further*  
17 *recognize, in view of the special relationship between their*  
18 *countries, that even if this Title should terminate, the Gov-*  
19 *ernment of the Federated States of Micronesia shall refrain*  
20 *from actions which the Government of the United States*  
21 *determines, after appropriate consultation with that Gov-*  
22 *ernment, to be incompatible with its authority and respon-*  
23 *sibility for security and defense matters in or relating to*  
24 *the Federated States of Micronesia or the Republic of the*  
25 *Marshall Islands.*

1 *TITLE FOUR*2 *GENERAL PROVISIONS*3 *Article I*4 *Approval and Effective Date*5 *Section 411*

6 *Pursuant to section 432 of the Compact and subject*  
 7 *to subsection (e) of section 461 of the Compact, as amended,*  
 8 *the Compact, as amended, shall come into effect upon mu-*  
 9 *tual agreement between the Government of the United*  
 10 *States and the Government of the Federated States of Micro-*  
 11 *nesia subsequent to completion of the following:*

12 *(a) Approval by the Government of the Federated*  
 13 *States of Micronesia in accordance with its constitu-*  
 14 *tional processes.*

15 *(b) Approval by the Government of the United*  
 16 *States in accordance with its constitutional processes.*

17 *Article II*18 *Conference and Dispute Resolution*19 *Section 421*

20 *The Government of the United States shall confer*  
 21 *promptly at the request of the Government of the Federated*  
 22 *States of Micronesia and that Government shall confer*  
 23 *promptly at the request of the Government of the United*  
 24 *States on matters relating to the provisions of this Compact,*  
 25 *as amended, or of its related agreements.*

1 *Section 422*

2       *In the event the Government of the United States or*  
3 *the Government of the Federated States of Micronesia, after*  
4 *conferring pursuant to section 421, determines that there*  
5 *is a dispute and gives written notice thereof, the two Gov-*  
6 *ernments shall make a good faith effort to resolve the dispute*  
7 *between themselves.*

8 *Section 423*

9       *If a dispute between the Government of the United*  
10 *States and the Government of the Federated States of Micro-*  
11 *nesia cannot be resolved within 90 days of written notifica-*  
12 *tion in the manner provided in section 422, either party*  
13 *to the dispute may refer it to arbitration in accordance with*  
14 *section 424.*

15 *Section 424*

16       *Should a dispute be referred to arbitration as provided*  
17 *for in section 423, an Arbitration Board shall be established*  
18 *for the purpose of hearing the dispute and rendering a deci-*  
19 *sion which shall be binding upon the two parties to the dis-*  
20 *pute unless the two parties mutually agree that the decision*  
21 *shall be advisory. Arbitration shall occur according to the*  
22 *following terms:*

23           *(a) An Arbitration Board shall consist of a*  
24       *Chairman and two other members, each of whom*  
25       *shall be a citizen of a party to the dispute. Each of*

1     *the two Governments which is a party to the dispute*  
 2     *shall appoint one member to the Arbitration Board.*  
 3     *If either party to the dispute does not fulfill the ap-*  
 4     *pointment requirements of this section within 30 days*  
 5     *of referral of the dispute to arbitration pursuant to*  
 6     *section 423, its member on the Arbitration Board*  
 7     *shall be selected from its own standing list by the*  
 8     *other party to the dispute. Each Government shall*  
 9     *maintain a standing list of 10 candidates. The par-*  
 10    *ties to the dispute shall jointly appoint a Chairman*  
 11    *within 15 days after selection of the other members of*  
 12    *the Arbitration Board. Failing agreement on a Chair-*  
 13    *man, the Chairman shall be chosen by lot from the*  
 14    *standing lists of the parties to the dispute within 5*  
 15    *days after such failure.*

16        *(b) Unless otherwise provided in this Compact,*  
 17        *as amended, or its related agreements, the Arbitration*  
 18        *Board shall have jurisdiction to hear and render its*  
 19        *final determination on all disputes arising exclusively*  
 20        *under Articles I, II, III, IV and V of Title One, Title*  
 21        *Two, Title Four, and their related agreements.*

22        *(c) Each member of the Arbitration Board shall*  
 23        *have one vote. Each decision of the Arbitration Board*  
 24        *shall be reached by majority vote.*

1       (d) *In determining any legal issue, the Arbitration*  
 2 *Board may have reference to international law and, in such*  
 3 *reference, shall apply as guidelines the provisions set forth*  
 4 *in Article 38 of the Statute of the International Court of*  
 5 *Justice.*

6       (e) *The Arbitration Board shall adopt such rules for*  
 7 *its proceedings as it may deem appropriate and necessary,*  
 8 *but such rules shall not contravene the provisions of this*  
 9 *Compact, as amended. Unless the parties provide otherwise*  
 10 *by mutual agreement, the Arbitration Board shall endeavor*  
 11 *to render its decision within 30 days after the conclusion*  
 12 *of arguments. The Arbitration Board shall make findings*  
 13 *of fact and conclusions of law and its members may issue*  
 14 *dissenting or individual opinions. Except as may be other-*  
 15 *wise decided by the Arbitration Board, one-half of all costs*  
 16 *of the arbitration shall be borne by the Government of the*  
 17 *United States and the remainder shall be borne by the Gov-*  
 18 *ernment of the Federated States of Micronesia.*

19                               *Article III*

20                               *Amendment*

21       *Section 431*

22       *The provisions of this Compact, as amended, may be*  
 23 *further amended by mutual agreement of the Government*  
 24 *of the United States and the Government of the Federated*



1 *States of Micronesia, in accordance with their respective*  
2 *constitutional processes.*

3 *Article IV*

4 *Termination*

5 *Section 441*

6 *This Compact, as amended, may be terminated by mu-*  
7 *tual agreement of the Government of the Federated States*  
8 *of Micronesia and the Government of the United States, in*  
9 *accordance with their respective constitutional processes.*  
10 *Such mutual termination of this Compact, as amended,*  
11 *shall be without prejudice to the continued application of*  
12 *section 451 of this Compact, as amended, and the provisions*  
13 *of the Compact, as amended, set forth therein.*

14 *Section 442*

15 *Subject to section 452, this Compact, as amended, may*  
16 *be terminated by the Government of the United States in*  
17 *accordance with its constitutional processes. Such termi-*  
18 *nation shall be effective on the date specified in the notice*  
19 *of termination by the Government of the United States but*  
20 *not earlier than six months following delivery of such no-*  
21 *tice. The time specified in the notice of termination may*  
22 *be extended. Such termination of this Compact, as amended,*  
23 *shall be without prejudice to the continued application of*  
24 *section 452 of this Compact, as amended, and the provisions*  
25 *of the Compact, as amended, set forth therein.*

1 *Section 443*

2       *This Compact, as amended, shall be terminated by the*  
3 *Government of the Federated States of Micronesia, pursuant*  
4 *to its constitutional processes, subject to section 453 if the*  
5 *people represented by that Government vote in a plebiscite*  
6 *to terminate the Compact, as amended, or by another proc-*  
7 *ess permitted by the FSM constitution and mutually agreed*  
8 *between the Governments of the United States and the Fed-*  
9 *erated States of Micronesia. The Government of the Fed-*  
10 *erated States of Micronesia shall notify the Government of*  
11 *the United States of its intention to call such a plebiscite,*  
12 *or to pursue another mutually agreed and constitutional*  
13 *process, which plebiscite or process shall take place not ear-*  
14 *lier than three months after delivery of such notice. The*  
15 *plebiscite or other process shall be administered by the Gov-*  
16 *ernment of the Federated States of Micronesia in accord-*  
17 *ance with its constitutional and legislative processes. If a*  
18 *majority of the valid ballots cast in the plebiscite or other*  
19 *process favors termination, the Government of the Federated*  
20 *States of Micronesia shall, upon certification of the results*  
21 *of the plebiscite or other process, give notice of termination*  
22 *to the Government of the United States, such termination*  
23 *to be effective on the date specified in such notice but not*  
24 *earlier than three months following the date of delivery of*

1 *such notice. The time specified in the notice of termination*  
 2 *may be extended.*

### 3 *Article V*

#### 4 *Survivability*

##### 5 *Section 451*

6 *(a) Should termination occur pursuant to section 441,*  
 7 *economic and other assistance by the Government of the*  
 8 *United States shall continue only if and as mutually agreed*  
 9 *by the Governments of the United States and the Federated*  
 10 *States of Micronesia, and in accordance with the parties'*  
 11 *respective constitutional processes.*

12 *(b) In view of the special relationship of the United*  
 13 *States and the Federated States of Micronesia, as reflected*  
 14 *in subsections (b) and (c) of section 354 of this Compact,*  
 15 *as amended, and the separate agreement entered into con-*  
 16 *sistent with those subsections, if termination occurs pursu-*  
 17 *ant to section 441 prior to the twentieth anniversary of the*  
 18 *effective date of this Compact, as amended, the United*  
 19 *States shall continue to make contributions to the Trust*  
 20 *Fund described in section 215 of this Compact, as amended.*

21 *(c) In view of the special relationship of the United*  
 22 *States and the Federated States of Micronesia described in*  
 23 *subsection (b) of this section, if termination occurs pursu-*  
 24 *ant to section 441 following the twentieth anniversary of*  
 25 *the effective date of this Compact, as amended, the Fed-*

1 *erated States of Micronesia shall be entitled to receive pro-*  
 2 *ceeds from the Trust Fund described in section 215 of this*  
 3 *Compact, as amended, in the manner described in those*  
 4 *provisions and the Trust Fund Agreement governing the*  
 5 *distribution of such proceeds.*

6 *Section 452*

7       *(a) Should termination occur pursuant to section 442*  
 8 *prior to the twentieth anniversary of the effective date of*  
 9 *this Compact, as amended, the following provisions of this*  
 10 *Compact, as amended, shall remain in full force and effect*  
 11 *until the twentieth anniversary of the effective date of this*  
 12 *Compact, as amended, and thereafter as mutually agreed:*

13               *(1) Article VI and sections 172, 173, 176 and*  
 14       *177 of Title One;*

15               *(2) Sections 232 and 234 of Title Two;*

16               *(3) Title Three; and*

17               *(4) Articles II, III, V and VI of Title Four.*

18       *(b) Should termination occur pursuant to section 442*  
 19 *before the twentieth anniversary of the effective date of the*  
 20 *Compact, as amended:*

21               *(1) Except as provided in paragraph (2) of this*  
 22 *subsection and subsection (c) of this section, economic*  
 23 *and other assistance by the United States shall con-*  
 24 *tinue only if and as mutually agreed by the Govern-*

1        *ments of the United States and the Federated States*  
2        *of Micronesia.*

3            *(2) In view of the special relationship of the*  
4        *United States and the Federated States of Micronesia,*  
5        *as reflected in subsections (b) and (c) of section 354*  
6        *of this Compact, as amended, and the separate agree-*  
7        *ment regarding mutual security, and the Trust Fund*  
8        *Agreement, the United States shall continue to make*  
9        *contributions to the Trust Fund described in section*  
10       *215 of this Compact, as amended, in the manner de-*  
11       *scribed in the Trust Fund Agreement.*

12       *(c) In view of the special relationship of the United*  
13       *States and the Federated States of Micronesia, as reflected*  
14       *in subsections 354(b) and (c) of this Compact, as amended,*  
15       *and the separate agreement regarding mutual security, and*  
16       *the Trust Fund Agreement, if termination occurs pursuant*  
17       *to section 442 following the twentieth anniversary of the*  
18       *effective date of this Compact, as amended, the Federated*  
19       *States of Micronesia shall continue to be eligible to receive*  
20       *proceeds from the Trust Fund described in section 215 of*  
21       *this Compact, as amended, in the manner described in those*  
22       *provisions and the Trust Fund Agreement.*

23       *Section 453*

24       *(a) Should termination occur pursuant to section 443*  
25       *prior to the twentieth anniversary of the effective date of*

1 *this Compact, as amended, the following provisions of this*  
2 *Compact, as amended, shall remain in full force and effect*  
3 *until the twentieth anniversary of the effective date of this*  
4 *Compact, as amended, and thereafter as mutually agreed:*

5           (1) *Article VI and sections 172, 173, 176 and*  
6           *177 of Title One;*

7           (2) *Sections 232 and 234 of Title Two;*

8           (3) *Title Three; and*

9           (4) *Articles II, III, V and VI of Title Four.*

10       (b) *Upon receipt of notice of termination pursuant to*  
11 *section 443, the Government of the United States and the*  
12 *Government of the Federated States of Micronesia shall*  
13 *promptly consult with regard to their future relationship.*  
14 *Except as provided in subsection (c) and (d) of this section,*  
15 *these consultations shall determine the level of economic and*  
16 *other assistance, if any, which the Government of the*  
17 *United States shall provide to the Government of the Fed-*  
18 *erated States of Micronesia for the period ending on the*  
19 *twentieth anniversary of the effective date of this Compact,*  
20 *as amended, and for any period thereafter, if mutually*  
21 *agreed.*

22       (c) *In view of the special relationship of the United*  
23 *States and the Federated States of Micronesia, as reflected*  
24 *in subsections 354(b) and (c) of this Compact, as amended,*  
25 *and the separate agreement regarding mutual security, and*

1 *the Trust Fund Agreement, if termination occurs pursuant*  
 2 *to section 443 prior to the twentieth anniversary of the effec-*  
 3 *tive date of this Compact, as amended, the United States*  
 4 *shall continue to make contributions to the Trust Fund de-*  
 5 *scribed in section 215 of this Compact, as amended, in the*  
 6 *manner described in the Trust Fund Agreement.*

7       *(d) In view of the special relationship of the United*  
 8 *States and the Federated States of Micronesia, as reflected*  
 9 *in subsections 354(b) and (c) of this Compact, as amended,*  
 10 *and the separate agreement regarding mutual security, and*  
 11 *the Trust Fund Agreement, if termination occurs pursuant*  
 12 *to section 443 following the twentieth anniversary of the*  
 13 *effective date of this Compact, as amended, the Federated*  
 14 *States of Micronesia shall continue to be eligible to receive*  
 15 *proceeds from the Trust Fund described in section 215 of*  
 16 *this Compact, as amended, in the manner described in those*  
 17 *provisions and the Trust Fund Agreement.*

18 *Section 454*

19       *Notwithstanding any other provision of this Compact,*  
 20 *as amended:*

21           *(a) The Government of the United States reaf-*  
 22 *firms its continuing interest in promoting the eco-*  
 23 *nomie advancement and budgetary self-reliance of the*  
 24 *people of the Federated States of Micronesia.*

1           (b) *The separate agreements referred to in Article*  
 2       *II of Title Three shall remain in effect in accordance*  
 3       *with their terms.*

#### 4                               Article VI

#### 5                               Definition of Terms

#### 6       Section 461

7       *For the purpose of this Compact, as amended, only,*  
 8       *and without prejudice to the views of the Government of*  
 9       *the United States or the Government of the Federated States*  
 10       *of Micronesia as to the nature and extent of the jurisdiction*  
 11       *of either of them under international law, the following*  
 12       *terms shall have the following meanings:*

13           (a) *“Trust Territory of the Pacific Islands”*  
 14       *means the area established in the Trusteeship Agree-*  
 15       *ment consisting of the former administrative districts*  
 16       *of Kosrae, Yap, Ponape, the Marshall Islands and*  
 17       *Truk as described in Title One, Trust Territory Code,*  
 18       *section 1, in force on January 1, 1979. This term*  
 19       *does not include the area of Palau or the Northern*  
 20       *Mariana Islands.*

21           (b) *“Trusteeship Agreement” means the agree-*  
 22       *ment setting forth the terms of trusteeship for the*  
 23       *Trust Territory of the Pacific Islands, approved by*  
 24       *the Security Council of the United Nations April 2,*  
 25       *1947, and by the United States July 18, 1947, en-*



1        *tered into force July 18, 1947, 61 Stat. 3301, T.I.A.S.*  
2        *1665, 8 U.N.T.S. 189.*

3            (c) “*The Federated States of Micronesia*” and  
4        “*the Republic of the Marshall Islands*” are used in a  
5        *geographic sense and include the land and water*  
6        *areas to the outer limits of the territorial sea and the*  
7        *air space above such areas as now or hereafter recog-*  
8        *nized by the Government of the United States.*

9            (d) “*Compact*” means the *Compact of Free Asso-*  
10        *ciation Between the United States and the Federated*  
11        *States of Micronesia and the Marshall Islands, that*  
12        *was approved by the United States Congress in sec-*  
13        *tion 201 of Public Law 99–239 (Jan. 14, 1986) and*  
14        *went into effect with respect to the Federated States*  
15        *of Micronesia on November 3, 1986.*

16           (e) “*Compact, as amended*” means the *Compact*  
17        *of Free Association Between the United States and*  
18        *the Federated States of Micronesia, as amended. The*  
19        *effective date of the Compact, as amended, shall be on*  
20        *a date to be determined by the President of the United*  
21        *States, and agreed to by the Government of the Fed-*  
22        *erated States of Micronesia, following formal ap-*  
23        *proval of the Compact, as amended, in accordance*  
24        *with section 411 of this Compact, as amended.*

1           (f) “Government of the Federated States of Mi-  
2           cronesia” means the Government established and or-  
3           ganized by the Constitution of the Federated States of  
4           Micronesia including all the political subdivisions  
5           and entities comprising that Government.

6           (g) “Government of the Republic of the Marshall  
7           Islands” means the Government established and orga-  
8           nized by the Constitution of the Republic of the Mar-  
9           shall Islands including all the political subdivisions  
10          and entities comprising that Government.

11          (h) The following terms shall be defined con-  
12          sistent with the 1998 Edition of the Radio Regula-  
13          tions of the International Telecommunications Union  
14          as follows:

15               (1) “Radiocommunication” means tele-  
16               communication by means of radio waves.

17               (2) “Station” means one or more transmit-  
18               ters or receivers or a combination of transmitters  
19               and receivers, including the accessory equipment,  
20               necessary at one location for carrying on a  
21               radiocommunication service, or the radio astron-  
22               omy service.

23               (3) “Broadcasting Service” means a  
24               radiocommunication service in which the trans-  
25               missions are intended for direct reception by the

1       *general public. This service may include sound*  
2       *transmissions, television transmissions or other*  
3       *types of transmission.*

4               (4) “*Broadcasting Station*” means a station  
5       *in the broadcasting service.*

6               (5) “*Assignment (of a radio frequency or*  
7       *radio frequency channel)*” means an authoriza-  
8       *tion given by an administration for a radio sta-*  
9       *tion to use a radio frequency or radio frequency*  
10       *channel under specified conditions.*

11              (6) “*Telecommunication*” means any trans-  
12       *mission, emission or reception of signs, signals,*  
13       *writings, images and sounds or intelligence of*  
14       *any nature by wire, radio, optical or other elec-*  
15       *tromagnetic systems.*

16              (i) “*Military Areas and Facilities*” means those  
17       *areas and facilities in the Federated States of Micro-*  
18       *nesia reserved or acquired by the Government of the*  
19       *Federated States of Micronesia for use by the Govern-*  
20       *ment of the United States, as set forth in the separate*  
21       *agreements referred to in section 321.*

22              (j) “*Tariff Schedules of the United States*”  
23       *means the Tariff Schedules of the United States as*  
24       *amended from time to time and as promulgated pur-*  
25       *suant to United States law and includes the Tariff*

1       *Schedules of the United States Annotated (TSUSA),*  
 2       *as amended.*

3               (k) “*Vienna Convention on Diplomatic Rela-*  
 4       *tions*” means the *Vienna Convention on Diplomatic*  
 5       *Relations, done April 18, 1961, 23 U.S.T. 3227,*  
 6       *T.I.A.S. 7502, 500 U.N.T.S. 95.*

7       *Section 462*

8               (a) *The Government of the United States and the Gov-*  
 9       *ernment of the Federated States of Micronesia previously*  
 10       *have concluded agreements pursuant to the Compact, which*  
 11       *shall remain in effect and shall survive in accordance with*  
 12       *their terms, as follows:*

13               (1) *Agreement Concluded Pursuant to Section*  
 14       *234 of the Compact;*

15               (2) *Agreement Between the Government of the*  
 16       *United States and the Government of the Federated*  
 17       *States of Micronesia Regarding Friendship, Coopera-*  
 18       *tion and Mutual Security Concluded Pursuant to*  
 19       *Sections 321 and 323 of the Compact of Free Associa-*  
 20       *tion; and*

21               (3) *Agreement between the Government of the*  
 22       *United States of America and the Federated States of*  
 23       *Micronesia Regarding Aspects of the Marine Sov-*  
 24       *ereignty and Jurisdiction of the Federated States of*  
 25       *Micronesia.*

1       ***(b) The Government of the United States and the Gov-***  
 2 ***ernment of the Federated States of Micronesia shall con-***  
 3 ***clude prior to the date of submission of this Compact, as***  
 4 ***amended, to the legislatures of the two countries, the fol-***  
 5 ***lowing related agreements which shall come into effect on***  
 6 ***the effective date of this Compact, as amended, and shall***  
 7 ***survive in accordance with their terms, as follows:***

8               ***(1) Federal Programs and Services Agreement***  
 9       ***Between the Government of the United States of***  
 10 ***America and the Government of the Federated States***  
 11 ***of Micronesia Concluded Pursuant to Article III of***  
 12 ***Title One, Article II of Title Two (including Section***  
 13 ***222), and Section 231 of the Compact of Free Asso-***  
 14 ***ciation, as amended which includes:***

15                       ***(i) Postal Services and Related Programs;***

16                       ***(ii) Weather Services and Related Pro-***  
 17 ***grams;***

18                       ***(iii) Civil Aviation Safety Service and Re-***  
 19 ***lated Programs;***

20                       ***(iv) Civil Aviation Economic Services and***  
 21 ***Related Programs;***

22                       ***(v) United States Disaster Preparedness***  
 23 ***and Response Services and Related Programs;***

24                       ***(vi) Federal Deposit Insurance Corporation***  
 25 ***Services and Related Programs; and***

1                   (vii) *Telecommunications Services and Re-*  
2                   *lated Programs.*

3                   (2) *Agreement Between the Government of the*  
4                   *United States of America and the Government of the*  
5                   *Federated States of Micronesia on Extradition, Mu-*  
6                   *tual Assistance in Law Enforcement Matters and*  
7                   *Penal Sanctions Concluded Pursuant to Section*  
8                   *175(a) of the Compact of Free Association, as amend-*  
9                   *ed;*

10                  (3) *Agreement Between the Government of the*  
11                  *United States of America and the Government of the*  
12                  *Federated States of Micronesia on Labor Recruitment*  
13                  *Concluded Pursuant to Section 175(b) of the Compact*  
14                  *of Free Association, as amended;*

15                  (4) *Agreement Concerning Procedures for the Im-*  
16                  *plementation of United States Economic Assistance*  
17                  *Provided in the Compact of Free Association, as*  
18                  *Amended, of Free Association Between the Govern-*  
19                  *ment of the United States of America and Govern-*  
20                  *ment of the Federated States of Micronesia;*

21                  (5) *Agreement Between the Government of the*  
22                  *United States of America and the Government of the*  
23                  *Federated States of Micronesia Implementing Section*  
24                  *215 and Section 216 of the Compact, as Amended,*  
25                  *Regarding a Trust Fund;*

1           (6) *Agreement Regarding the Military Use and*  
 2           *Operating Rights of the Government of the United*  
 3           *States in the Federated States of Micronesia Con-*  
 4           *cluded Pursuant to Sections 211(b), 321 and 323 of*  
 5           *the Compact of Free Association, as Amended; and*  
 6           *the*

7           (7) *Status of Forces Agreement Between the Gov-*  
 8           *ernment of the United States of America and the Gov-*  
 9           *ernment of the Federated States of Micronesia Con-*  
 10          *cluded Pursuant to Section 323 of the Compact of*  
 11          *Free Association, as Amended.*

12 *Section 463*

13          (a) *Except as set forth in subsection (b) of this section,*  
 14          *any reference in this Compact, as amended, to a provision*  
 15          *of the United States Code or the Statutes at Large of the*  
 16          *United States constitutes the incorporation of the language*  
 17          *of such provision into this Compact, as amended, as such*  
 18          *provision was in force on the effective date of this Compact,*  
 19          *as amended.*

20          (b) *Any reference in Articles IV and Article VI of Title*  
 21          *One and Sections 174, 175, 178 and 342 to a provision*  
 22          *of the United States Code or the Statutes at Large of the*  
 23          *United States or to the Privacy Act, the Freedom of Infor-*  
 24          *mation Act, the Administrative Procedure Act or the Immi-*  
 25          *gration and Nationality Act constitutes the incorporation*

1 *of the language of such provision into this Compact, as*  
 2 *amended, as such provision was in force on the effective*  
 3 *date of this Compact, as amended, or as it may be amended*  
 4 *thereafter on a non-discriminatory basis according to the*  
 5 *constitutional processes of the United States.*

6 *Article VII*

7 *Concluding Provisions*

8 *Section 471*

9 *Both the Government of the United States and the Gov-*  
 10 *ernment of the Federated States of Micronesia shall take*  
 11 *all necessary steps, of a general or particular character, to*  
 12 *ensure, no later than the entry into force date of this Com-*  
 13 *pact, as amended, the conformity of its laws, regulations*  
 14 *and administrative procedures with the provisions of this*  
 15 *Compact, as amended, or in the case of subsection (d) of*  
 16 *section 141, as soon as reasonably possible thereafter.*

17 *Section 472*

18 *This Compact, as amended, may be accepted, by signa-*  
 19 *ture or otherwise, by the Government of the United States*  
 20 *and the Government of the Federated States of Micronesia.*

21 *IN WITNESS WHEREOF, the undersigned, duly au-*  
 22 *thorized, have signed this Compact of Free Association, as*  
 23 *amended, which shall enter into force upon the exchange*  
 24 *of diplomatic notes by which the Government of the United*  
 25 *States of America and the Government of the Federated*



1 *States of Micronesia inform each other about the fulfillment*  
 2 *of their respective requirements for entry into force.*

3 *DONE at Pohnpei, Federated States of Micronesia, in*  
 4 *duplicate, this fourteenth (14) day of May, 2003, each text*  
 5 *being equally authentic.*

***Signed (May 14, 2003)***  
***For the Government of the***  
***United States of America:***

***Signed (May 14, 2003)***  
***For the Government of the***  
***Federated States of***  
***Micronesia:***

6 *(b) COMPACT OF FREE ASSOCIATION, AS AMENDED,*  
 7 *BETWEEN THE GOVERNMENT OF THE UNITED STATES OF*  
 8 *AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF*  
 9 *THE MARSHALL ISLANDS*

10 *PREAMBLE*

11 *THE GOVERNMENT OF THE UNITED STATES OF*  
 12 *AMERICA AND THE GOVERNMENT OF THE*  
 13 *REPUBLIC OF THE MARSHALL ISLANDS*

14 *Affirming that their Governments and their relation-*  
 15 *ship as Governments are founded upon respect for human*  
 16 *rights and fundamental freedoms for all, and that the people*  
 17 *of the Republic of the Marshall Islands have the right to*  
 18 *enjoy self-government; and*

19 *Affirming the common interests of the United States*  
 20 *of America and the Republic of the Marshall Islands in cre-*  
 21 *ating and maintaining their close and mutually beneficial*  
 22 *relationship through the free and voluntary association of*  
 23 *their respective Governments; and*

1       *Affirming the interest of the Government of the United*  
2       *States in promoting the economic advancement and budg-*  
3       *etary self-reliance of the Republic of the Marshall Islands;*  
4       *and*

5       *Recognizing that their relationship until the entry into*  
6       *force on October 21, 1986 of the Compact was based upon*  
7       *the International Trusteeship System of the United Nations*  
8       *Charter, and in particular Article 76 of the Charter; and*  
9       *that pursuant to Article 76 of the Charter, the people of*  
10      *the Republic of the Marshall Islands have progressively de-*  
11      *veloped their institutions of self-government, and that in*  
12      *the exercise of their sovereign right to self-determination*  
13      *they, through their freely-expressed wishes, have adopted a*  
14      *Constitution appropriate to their particular circumstances;*  
15      *and*

16      *Recognizing that the Compact reflected their common*  
17      *desire to terminate the Trusteeship and establish a govern-*  
18      *ment-to-government relationship which was in accordance*  
19      *with the new political status based on the freely expressed*  
20      *wishes of the people of the Republic of the Marshall Islands*  
21      *and appropriate to their particular circumstances; and*

22      *Recognizing that the people of the Republic of the Mar-*  
23      *shall Islands have and retain their sovereignty and their*  
24      *sovereign right to self-determination and the inherent right*  
25      *to adopt and amend their own Constitution and form of*

1 *government and that the approval of the entry of the Gov-*  
2 *ernment of the Republic of the Marshall Islands into the*  
3 *Compact by the people of the Republic of the Marshall Is-*  
4 *lands constituted an exercise of their sovereign right to self-*  
5 *determination; and*

6 *Recognizing the common desire of the people of the*  
7 *United States and the people of the Republic of the Marshall*  
8 *Islands to maintain their close government-to-government*  
9 *relationship, the United States and the Republic of the Mar-*  
10 *shall Islands:*

11 *NOW, THEREFORE, MUTUALLY AGREE to con-*  
12 *tinue and strengthen their relationship of free association*  
13 *by amending the Compact, which continues to provide a*  
14 *full measure of self-government for the people of the Repub-*  
15 *lic of the Marshall Islands; and*

16 *FURTHER AGREE that the relationship of free asso-*  
17 *ciation derives from and is as set forth in this Compact,*  
18 *as amended, by the Governments of the United States and*  
19 *the Republic of the Marshall Islands; and that, during such*  
20 *relationship of free association, the respective rights and re-*  
21 *sponsibilities of the Government of the United States and*  
22 *the Government of the Republic of the Marshall Islands in*  
23 *regard to this relationship of free association derive from*  
24 *and are as set forth in this Compact, as amended.*

1 *TITLE ONE*  
2 *GOVERNMENTAL RELATIONS*  
3 *Article I*  
4 *Self-Government*  
5 *Section 111*

6 *The people of the Republic of the Marshall Islands, act-*  
7 *ing through the Government established under their Con-*  
8 *stitution, are self-governing.*

9 *Article II*  
10 *Foreign Affairs*  
11 *Section 121*

12 *(a) The Government of the Republic of the Marshall*  
13 *Islands has the capacity to conduct foreign affairs and shall*  
14 *do so in its own name and right, except as otherwise pro-*  
15 *vided in this Compact, as amended.*

16 *(b) The foreign affairs capacity of the Government of*  
17 *the Republic of the Marshall Islands includes:*

18 *(1) the conduct of foreign affairs relating to law*  
19 *of the sea and marine resources matters, including the*  
20 *harvesting, conservation, exploration or exploitation*  
21 *of living and non-living resources from the sea, seabed*  
22 *or subsoil to the full extent recognized under inter-*  
23 *national law;*

24 *(2) the conduct of its commercial, diplomatic,*  
25 *consular, economic, trade, banking, postal, civil avia-*

1        *tion, communications, and cultural relations, includ-*  
2        *ing negotiations for the receipt of developmental loans*  
3        *and grants and the conclusion of arrangements with*  
4        *other governments and international and intergovern-*  
5        *mental organizations, including any matters specially*  
6        *benefiting its individual citizens.*

7        *(c) The Government of the United States recognizes*  
8        *that the Government of the Republic of the Marshall Islands*  
9        *has the capacity to enter into, in its own name and right,*  
10       *treaties and other international agreements with govern-*  
11       *ments and regional and international organizations.*

12       *(d) In the conduct of its foreign affairs, the Govern-*  
13       *ment of the Republic of the Marshall Islands confirms that*  
14       *it shall act in accordance with principles of international*  
15       *law and shall settle its international disputes by peaceful*  
16       *means.*

17       *Section 122*

18       *The Government of the United States shall support ap-*  
19       *plications by the Government of the Republic of the Mar-*  
20       *shall Islands for membership or other participation in re-*  
21       *gional or international organizations as may be mutually*  
22       *agreed.*

23       *Section 123*

24       *(a) In recognition of the authority and responsibility*  
25       *of the Government of the United States under Title Three,*

1 *the Government of the Republic of the Marshall Islands*  
2 *shall consult, in the conduct of its foreign affairs, with the*  
3 *Government of the United States.*

4       **(b)** *In recognition of the foreign affairs capacity of the*  
5 *Government of the Republic of the Marshall Islands, the*  
6 *Government of the United States, in the conduct of its for-*  
7 *ign affairs, shall consult with the Government of the Re-*  
8 *public of the Marshall Islands on matters that the Govern-*  
9 *ment of the United States regards as relating to or affecting*  
10 *the Government of the Republic of the Marshall Islands.*

11 *Section 124*

12       *The Government of the United States may assist or*  
13 *act on behalf of the Government of the Republic of the Mar-*  
14 *shall Islands in the area of foreign affairs as may be re-*  
15 *quested and mutually agreed from time to time. The Gov-*  
16 *ernment of the United States shall not be responsible to*  
17 *third parties for the actions of the Government of the Re-*  
18 *public of the Marshall Islands undertaken with the assist-*  
19 *ance or through the agency of the Government of the United*  
20 *States pursuant to this section unless expressly agreed.*

21 *Section 125*

22       *The Government of the United States shall not be re-*  
23 *sponsible for nor obligated by any actions taken by the Gov-*  
24 *ernment of the Republic of the Marshall Islands in the area*

1 of foreign affairs, except as may from time to time be ex-  
 2 pressly agreed.

3 *Section 126*

4       *At the request of the Government of the Republic of*  
 5 *the Marshall Islands and subject to the consent of the receiv-*  
 6 *ing state, the Government of the United States shall extend*  
 7 *consular assistance on the same basis as for citizens of the*  
 8 *United States to citizens of the Republic of the Marshall*  
 9 *Islands for travel outside the Republic of the Marshall Is-*  
 10 *lands, the United States and its territories and possessions.*

11 *Section 127*

12       *Except as otherwise provided in this Compact, as*  
 13 *amended, or its related agreements, all obligations, respon-*  
 14 *sibilities, rights and benefits of the Government of the*  
 15 *United States as Administering Authority which resulted*  
 16 *from the application pursuant to the Trusteeship Agreement*  
 17 *of any treaty or other international agreement to the Trust*  
 18 *Territory of the Pacific Islands on October 20, 1986, are,*  
 19 *as of that date, no longer assumed and enjoyed by the Gov-*  
 20 *ernment of the United States.*

21                               *Article III*

22                               *Communications*

23 *Section 131*

24       *(a) The Government of the Republic of the Marshall*  
 25 *Islands has full authority and responsibility to regulate its*

1 *domestic and foreign communications, and the Government*  
2 *of the United States shall provide communications assist-*  
3 *ance as mutually agreed.*

4       *(b) The Government of the Republic of the Marshall*  
5 *Islands has elected to undertake all functions previously*  
6 *performed by the Government of the United States with re-*  
7 *spect to domestic and foreign communications, except for*  
8 *those functions set forth in a separate agreement entered*  
9 *into pursuant to this section of the Compact, as amended.*

10 *Section 132*

11       *The Government of the Republic of the Marshall Is-*  
12 *lands shall permit the Government of the United States to*  
13 *operate telecommunications services in the Republic of the*  
14 *Marshall Islands to the extent necessary to fulfill the obliga-*  
15 *tions of the Government of the United States under this*  
16 *Compact, as amended, in accordance with the terms of sepa-*  
17 *rate agreements entered into pursuant to this section of the*  
18 *Compact, as amended.*

19                               *Article IV*

20                               *Immigration*

21 *Section 141*

22       *(a) In furtherance of the special and unique relation-*  
23 *ship that exists between the United States and the Republic*  
24 *of the Marshall Islands, under the Compact, as amended,*  
25 *any person in the following categories may be admitted to*



1 *lawfully engage in occupations, and establish residence as*  
 2 *a nonimmigrant in the United States and its territories*  
 3 *and possessions (the “United States”) without regard to*  
 4 *paragraphs (5) or (7)(B)(i)(II) of section 212(a) of the Im-*  
 5 *migration and Nationality Act, as amended, 8 U.S.C.*  
 6 *1182(a)(5) or (7)(B)(i)(II):*

7           (1) *a person who, on October 21, 1986, was a*  
 8 *citizen of the Trust Territory of the Pacific Islands,*  
 9 *as defined in Title 53 of the Trust Territory Code in*  
 10 *force on January 1, 1979, and has become and re-*  
 11 *mains a citizen of the Republic of the Marshall Is-*  
 12 *lands;*

13           (2) *a person who acquires the citizenship of the*  
 14 *Republic of the Marshall Islands at birth, on or after*  
 15 *the effective date of the Constitution of the Republic*  
 16 *of the Marshall Islands;*

17           (3) *an immediate relative of a person referred to*  
 18 *in paragraphs (1) or (2) of this section, provided that*  
 19 *such immediate relative is a naturalized citizen of the*  
 20 *Republic of the Marshall Islands who has been an ac-*  
 21 *tual resident there for not less than five years after*  
 22 *attaining such naturalization and who holds a certifi-*  
 23 *cate of actual residence, and further provided, that, in*  
 24 *the case of a spouse, such spouse has been married to*  
 25 *the person referred to in paragraph (1) or (2) of this*

1       section for at least five years, and further provided,  
2       that the Government of the United States is satisfied  
3       that such naturalized citizen meets the requirement of  
4       subsection (b) of section 104 of Public Law 99–239 as  
5       it was in effect on the day prior to the effective date  
6       of this Compact, as amended;

7               (4) a naturalized citizen of the Republic of the  
8       Marshall Islands who was an actual resident there for  
9       not less than five years after attaining such natu-  
10      ralization and who satisfied these requirements as of  
11      April 30, 2003, who continues to be an actual resi-  
12      dent and holds a certificate of actual residence, and  
13      whose name is included in a list furnished by the  
14      Government of the Republic of the Marshall Islands to  
15      the Government of the United States no later than the  
16      effective date of the Compact, as amended, in form  
17      and content acceptable to the Government of the  
18      United States, provided, that the Government of the  
19      United States is satisfied that such naturalized cit-  
20      izen meets the requirement of subsection (b) of section  
21      104 of Public Law 99–239 as it was in effect on the  
22      day prior to the effective date of this Compact, as  
23      amended; or

24               (5) an immediate relative of a citizen of the Re-  
25      public of the Marshall Islands, regardless of the imme-

1        *diatē relative's country of citizenship or period of res-*  
2        *idence in the Republic of the Marshall Islands, if the*  
3        *citizen of the Republic of the Marshall Islands is serv-*  
4        *ing on active duty in any branch of the United States*  
5        *Armed Forces, or in the active reserves.*

6        *(b) Notwithstanding subsection (a) of this section, a*  
7        *person who is coming to the United States pursuant to an*  
8        *adoption outside the United States, or for the purpose of*  
9        *adoption in the United States, is ineligible for admission*  
10       *under the Compact and the Compact, as amended. This sub-*  
11       *section shall apply to any person who is or was an appli-*  
12       *cant for admission to the United States on or after March*  
13       *1, 2003, including any applicant for admission in removal*  
14       *proceedings (including appellate proceedings) on or after*  
15       *March 1, 2003, regardless of the date such proceedings were*  
16       *commenced. This subsection shall have no effect on the abil-*  
17       *ity of the Government of the United States or any United*  
18       *States State or local government to commence or otherwise*  
19       *take any action against any person or entity who has vio-*  
20       *lated any law relating to the adoption of any person.*

21       *(c) Notwithstanding subsection (a) of this section, no*  
22       *person who has been or is granted citizenship in the Repub-*  
23       *lic of the Marshall Islands, or has been or is issued a Repub-*  
24       *lic of the Marshall Islands passport pursuant to any invest-*  
25       *ment, passport sale, or similar program has been or shall*

1 *be eligible for admission to the United States under the*  
 2 *Compact or the Compact, as amended.*

3       (d) *A person admitted to the United States under the*  
 4 *Compact, or the Compact, as amended, shall be considered*  
 5 *to have the permission of the Government of the United*  
 6 *States to accept employment in the United States. An unex-*  
 7 *pired Republic of the Marshall Islands passport with unex-*  
 8 *pired documentation issued by the Government of the*  
 9 *United States evidencing admission under the Compact or*  
 10 *the Compact, as amended, shall be considered to be docu-*  
 11 *mentation establishing identity and employment authoriza-*  
 12 *tion under section 274A(b)(1)(B) of the Immigration and*  
 13 *Nationality Act, as amended, 8 U.S.C. 1324a(b)(1)(B). The*  
 14 *Government of the United States will take reasonable and*  
 15 *appropriate steps to implement and publicize this provi-*  
 16 *sion, and the Government of the Republic of the Marshall*  
 17 *Islands will also take reasonable and appropriate steps to*  
 18 *publicize this provision.*

19       (e) *For purposes of the Compact and the Compact, as*  
 20 *amended,*

21           (1) *the term “residence” with respect to a person*  
 22 *means the person’s principal, actual dwelling place in*  
 23 *fact, without regard to intent, as provided in section*  
 24 *101(a)(33) of the Immigration and Nationality Act,*  
 25 *as amended, 8 U.S.C. 1101(a)(33), and variations of*

1       the term “residence,” including “resident” and “re-  
2       side,” shall be similarly construed;

3           (2) the term “actual residence” means physical  
4       presence in the Republic of the Marshall Islands dur-  
5       ing eighty-five percent of the five-year period of resi-  
6       dency required by section 141(a)(3) and (4);

7           (3) the term “certificate of actual residence”  
8       means a certificate issued to a naturalized citizen by  
9       the Government of the Republic of the Marshall Is-  
10      lands stating that the citizen has complied with the  
11      actual residence requirement of section 141(a)(3) or  
12      (4);

13          (4) the term “nonimmigrant” means an alien  
14      who is not an “immigrant” as defined in section  
15      101(a)(15) of such Act, 8 U.S.C. 1101(a)(15); and

16          (5) the term “immediate relative” means a  
17      spouse, or unmarried son or unmarried daughter less  
18      than 21 years of age.

19      (f) The Immigration and Nationality Act, as amended,  
20      shall apply to any person admitted or seeking admission  
21      to the United States (other than a United States possession  
22      or territory where such Act does not apply) under the Com-  
23      pact or the Compact, as amended, and nothing in the Com-  
24      pact or the Compact, as amended, shall be construed to

1 *limit, preclude, or modify the applicability of, with respect*  
2 *to such person:*

3           (1) *any ground of inadmissibility or deport-*  
4 *ability under such Act (except sections 212(a)(5) and*  
5 *212(a)(7)(B)(i)(II) of such Act, as provided in sub-*  
6 *section (a) of this section), and any defense thereto,*  
7 *provided that, section 237(a)(5) of such Act shall be*  
8 *construed and applied as if it reads as follows: “any*  
9 *alien who has been admitted under the Compact, or*  
10 *the Compact, as amended, who cannot show that he*  
11 *or she has sufficient means of support in the United*  
12 *States, is deportable;”*

13           (2) *the authority of the Government of the*  
14 *United States under section 214(a)(1) of such Act to*  
15 *provide that admission as a nonimmigrant shall be*  
16 *for such time and under such conditions as the Gov-*  
17 *ernment of the United States may by regulations pre-*  
18 *scribe;*

19           (3) *except for the treatment of certain docu-*  
20 *mentation for purposes of section 274A(b)(1)(B) of*  
21 *such Act as provided by subsection (d) of this section*  
22 *of the Compact, as amended, any requirement under*  
23 *section 274A, including but not limited to section*  
24 *274A(b)(1)(E);*

1           (4) *section 643 of the Illegal Immigration Re-*  
2           *form and Immigrant Responsibility Act of 1996, Pub-*  
3           *lic Law 104–208, and actions taken pursuant to sec-*  
4           *tion 643; and*

5           (5) *the authority of the Government of the*  
6           *United States otherwise to administer and enforce the*  
7           *Immigration and Nationality Act, as amended, or*  
8           *other United States law.*

9           (g) *Any authority possessed by the Government of the*  
10          *United States under this section of the Compact or the Com-*  
11          *pact, as amended, may also be exercised by the Government*  
12          *of a territory or possession of the United States where the*  
13          *Immigration and Nationality Act, as amended, does not*  
14          *apply, to the extent such exercise of authority is lawful*  
15          *under a statute or regulation of such territory or possession*  
16          *that is authorized by the laws of the United States.*

17          (h) *Subsection (a) of this section does not confer on*  
18          *a citizen of the Republic of the Marshall Islands the right*  
19          *to establish the residence necessary for naturalization under*  
20          *the Immigration and Nationality Act, as amended, or to*  
21          *petition for benefits for alien relatives under that Act. Sub-*  
22          *section (a) of this section, however, shall not prevent a cit-*  
23          *izen of the Republic of the Marshall Islands from otherwise*  
24          *acquiring such rights or lawful permanent resident alien*  
25          *status in the United States.*

1 *Section 142*

2       (a) *Any citizen or national of the United States may*  
3 *be admitted to lawfully engage in occupations, and reside*  
4 *in the Republic of the Marshall Islands, subject to the rights*  
5 *of the Government of the Republic of the Marshall Islands*  
6 *to deny entry to or deport any such citizen or national as*  
7 *an undesirable alien. Any determination of inadmissibility*  
8 *or deportability shall be based on reasonable statutory*  
9 *grounds and shall be subject to appropriate administrative*  
10 *and judicial review within the Republic of the Marshall Is-*  
11 *lands. If a citizen or national of the United States is a*  
12 *spouse of a citizen of the Republic of the Marshall Islands,*  
13 *the Government of the Republic of the Marshall Islands*  
14 *shall allow the United States citizen spouse to establish resi-*  
15 *dence. Should the Republic of the Marshall Islands citizen*  
16 *spouse predecease the United States citizen spouse during*  
17 *the marriage, the Government of the Republic of the Mar-*  
18 *shall Islands shall allow the United States citizen spouse*  
19 *to continue to reside in the Republic of the Marshall Is-*  
20 *lands.*

21       (b) *In enacting any laws or imposing any require-*  
22 *ments with respect to citizens and nationals of the United*  
23 *States entering the Republic of the Marshall Islands under*  
24 *subsection (a) of this section, including any grounds of in-*  
25 *admissibility or deportability, the Government of the Re-*



1 *public of the Marshall Islands shall accord to such citizens*  
2 *and nationals of the United States treatment no less favor-*  
3 *able than that accorded to citizens of other countries.*

4 *(c) Consistent with subsection (a) of this section, with*  
5 *respect to citizens and nationals of the United States seek-*  
6 *ing to engage in employment or invest in the Republic of*  
7 *the Marshall Islands, the Government of the Republic of the*  
8 *Marshall Islands shall adopt immigration-related proce-*  
9 *dures no less favorable than those adopted by the Govern-*  
10 *ment of the United States with respect to citizens of the*  
11 *Republic of the Marshall Islands seeking employment in the*  
12 *United States.*

13 *Section 143*

14 *Any person who relinquishes, or otherwise loses, his*  
15 *United States nationality or citizenship, or his Republic*  
16 *of the Marshall Islands citizenship, shall be ineligible to re-*  
17 *ceive the privileges set forth in sections 141 and 142. Any*  
18 *such person may apply for admission to the United States*  
19 *or the Republic of the Marshall Islands, as the case may*  
20 *be, in accordance with any other applicable laws of the*  
21 *United States or the Republic of the Marshall Islands relat-*  
22 *ing to immigration of aliens from other countries. The laws*  
23 *of the Republic of the Marshall Islands or the United States,*  
24 *as the case may be, shall dictate the terms and conditions*  
25 *of any such person's stay.*

1 *Article V*2 *Representation*3 *Section 151*

4 *Relations between the Government of the United States*  
5 *and the Government of the Republic of the Marshall Islands*  
6 *shall be conducted in accordance with the Vienna Conven-*  
7 *tion on Diplomatic Relations. In addition to diplomatic*  
8 *missions and representation, the Governments may estab-*  
9 *lish and maintain other offices and designate other rep-*  
10 *resentatives on terms and in locations as may be mutually*  
11 *agreed.*

12 *Section 152*

13 *(a) Any citizen or national of the United States who,*  
14 *without authority of the United States, acts as the agent*  
15 *of the Government of the Republic of the Marshall Islands*  
16 *with regard to matters specified in the provisions of the*  
17 *Foreign Agents Registration Act of 1938, as amended (22*  
18 *U.S.C. 611 et seq.), that apply with respect to an agent*  
19 *of a foreign principal shall be subject to the requirements*  
20 *of such Act. Failure to comply with such requirements shall*  
21 *subject such citizen or national to the same penalties and*  
22 *provisions of law as apply in the case of the failure of such*  
23 *an agent of a foreign principal to comply with such require-*  
24 *ments. For purposes of the Foreign Agents Registration Act*

1 of 1938, the Republic of the Marshall Islands shall be con-  
 2 sidered to be a foreign country.

3 (b) Subsection (a) of this section shall not apply to  
 4 a citizen or national of the United States employed by the  
 5 Government of the Republic of the Marshall Islands with  
 6 respect to whom the Government of the Republic of the Mar-  
 7 shall Islands from time to time certifies to the Government  
 8 of the United States that such citizen or national is an em-  
 9 ployee of the Republic of the Marshall Islands whose prin-  
 10 cipal duties are other than those matters specified in the  
 11 Foreign Agents Registration Act of 1938, as amended, that  
 12 apply with respect to an agent of a foreign principal. The  
 13 agency or officer of the United States receiving such certifi-  
 14 cations shall cause them to be filed with the Attorney Gen-  
 15 eral, who shall maintain a publicly available list of the per-  
 16 sons so certified.

## 17 Article VI

### 18 Environmental Protection

#### 19 Section 161

20 The Governments of the United States and the Repub-  
 21 lic of the Marshall Islands declare that it is their policy  
 22 to promote efforts to prevent or eliminate damage to the  
 23 environment and biosphere and to enrich understanding of  
 24 the natural resources of the Republic of the Marshall Is-  
 25 lands. In order to carry out this policy, the Government

1 *of the United States and the Government of the Republic*  
2 *of the Marshall Islands agree to the following mutual and*  
3 *reciprocal undertakings:*

4 *(a) The Government of the United States:*

5 *(1) shall, for its activities controlled by the*  
6 *U.S. Army at Kwajalein Atoll and in the Mid-*  
7 *Atoll Corridor and for U.S. Army Kwajalein*  
8 *Atoll activities in the Republic of the Marshall*  
9 *Islands, continue to apply the Environmental*  
10 *Standards and Procedures for United States*  
11 *Army Kwajalein Atoll Activities in the Republic*  
12 *of the Marshall Islands, unless and until those*  
13 *Standards or Procedures are modified by mutual*  
14 *agreement of the Governments of the United*  
15 *States and the Republic of the Marshall Islands;*

16 *(2) shall apply the National Environmental*  
17 *Policy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321*  
18 *et seq., to its activities under the Compact, as*  
19 *amended, and its related agreements as if the*  
20 *Republic of the Marshall Islands were the United*  
21 *States;*

22 *(3) in the conduct of any activity not de-*  
23 *scribed in section 161(a)(1) requiring the prepa-*  
24 *ration of an Environmental Impact Statement*  
25 *under section 161(a)(2), shall comply with*

1        *standards substantively similar to those required*  
2        *by the following laws of the United States, tak-*  
3        *ing into account the particular environment of*  
4        *the Republic of the Marshall Islands; the Endan-*  
5        *gered Species Act of 1973, as amended, 16*  
6        *U.S.C. 1531 et seq.; the Clean Air Act, as*  
7        *amended, 42 U.S.C. 7401 et seq.; the Clean*  
8        *Water Act (Federal Water Pollution Control*  
9        *Act), as amended, 33 U.S.C. 1251 et seq.; Title*  
10       *I of the Marine Protection, Research and Sanc-*  
11       *tuaries Act of 1972 (the Ocean Dumping Act),*  
12       *33 U.S.C. 1411 et seq.; the Toxic Substances*  
13       *Control Act, as amended, 15 U.S.C. 2601 et seq.;*  
14       *the Solid Waste Disposal Act, as amended, 42*  
15       *U.S.C. 6901 et seq.; and such other environ-*  
16       *mental protection laws of the United States and*  
17       *the Republic of the Marshall Islands as may be*  
18       *agreed from time to time with the Government of*  
19       *the Republic of the Marshall Islands;*

20            *(4) shall, prior to conducting any activity*  
21        *not described in section 161(a)(1) requiring the*  
22        *preparation of an Environmental Impact State-*  
23        *ment under section 161(a)(2), develop, as agreed*  
24        *with the Government of the Republic of the Mar-*  
25        *shall Islands, written environmental standards*

1           *and procedures to implement the substantive*  
2           *provisions of the laws made applicable to U.S.*  
3           *Government activities in the Republic of the*  
4           *Marshall Islands, pursuant to section 161(a)(3).*

5           *(b) The Government of the Republic of the Mar-*  
6           *shall Islands shall continue to develop and implement*  
7           *standards and procedures to protect its environment.*  
8           *As a reciprocal obligation to the undertakings of the*  
9           *Government of the United States under this Article,*  
10          *the Republic of the Marshall Islands, taking into ac-*  
11          *count its particular environment, shall continue to*  
12          *develop and implement standards for environmental*  
13          *protection substantively similar to those required of*  
14          *the Government of the United States by section*  
15          *161(a)(3) prior to its conducting activities in the Re-*  
16          *public of the Marshall Islands, substantively equiva-*  
17          *lent to activities conducted there by the Government*  
18          *of the United States and, as a further reciprocal obli-*  
19          *gation, shall enforce those standards.*

20          *(c) Section 161(a), including any standard or*  
21          *procedure applicable thereunder, and section 161(b)*  
22          *may be modified or superseded in whole or in part*  
23          *by agreement of the Government of the United States*  
24          *and the Government of the Republic of the Marshall*  
25          *Islands.*

1           (d) *In the event that an Environmental Impact*  
2           *Statement is no longer required under the laws of the*  
3           *United States for major Federal actions significantly*  
4           *affecting the quality of the human environment, the*  
5           *regulatory regime established under sections 161(a)(3)*  
6           *and 161(a)(4) shall continue to apply to such activi-*  
7           *ties of the Government of the United States until*  
8           *amended by mutual agreement.*

9           (e) *The President of the United States may ex-*  
10          *empt any of the activities of the Government of the*  
11          *United States under this Compact, as amended, and*  
12          *its related agreements from any environmental stand-*  
13          *ard or procedure which may be applicable under sec-*  
14          *tions 161(a)(3) and 161(a)(4) if the President deter-*  
15          *mines it to be in the paramount interest of the Gov-*  
16          *ernment of the United States to do so, consistent with*  
17          *Title Three of this Compact, as amended, and the ob-*  
18          *ligations of the Government of the United States*  
19          *under international law. Prior to any decision pursu-*  
20          *ant to this subsection, the views of the Government of*  
21          *the Republic of the Marshall Islands shall be sought*  
22          *and considered to the extent practicable. If the Presi-*  
23          *dent grants such an exemption, to the extent prac-*  
24          *ticable, a report with his reasons for granting such*

1        *exemption shall be given promptly to the Government*  
 2        *of the Republic of the Marshall Islands.*

3            *(f) The laws of the United States referred to in*  
 4        *section 161(a)(3) shall apply to the activities of the*  
 5        *Government of the United States under this Compact,*  
 6        *as amended, and its related agreements only to the ex-*  
 7        *tent provided for in this section.*

8        *Section 162*

9            *The Government of the Republic of the Marshall Is-*  
 10        *lands may bring an action for judicial review of any ad-*  
 11        *ministrative agency action or any activity of the Govern-*  
 12        *ment of the United States pursuant to section 161(a) for*  
 13        *enforcement of the obligations of the Government of the*  
 14        *United States arising thereunder. The United States Dis-*  
 15        *trict Court for the District of Hawaii and the United States*  
 16        *District Court for the District of Columbia shall have juris-*  
 17        *isdiction over such action or activity, and over actions*  
 18        *brought under section 172(b) which relate to the activities*  
 19        *of the Government of the United States and its officers and*  
 20        *employees, governed by section 161, provided that:*

21            *(a) Such actions may only be civil actions for*  
 22        *any appropriate civil relief other than punitive dam-*  
 23        *ages against the Government of the United States or,*  
 24        *where required by law, its officers in their official ca-*



1       *capacity; no criminal actions may arise under this sec-*  
2       *tion.*

3               *(b) Actions brought pursuant to this section may*  
4       *be initiated only by the Government of the Republic*  
5       *of the Marshall Islands.*

6               *(c) Administrative agency actions arising under*  
7       *section 161 shall be reviewed pursuant to the stand-*  
8       *ard of judicial review set forth in 5 U.S.C. 706.*

9               *(d) The United States District Court for the Dis-*  
10       *trict of Hawaii and the United States District Court*  
11       *for the District of Columbia shall have jurisdiction to*  
12       *issue all necessary processes, and the Government of*  
13       *the United States agrees to submit itself to the juris-*  
14       *diction of the court; decisions of the United States*  
15       *District Court shall be reviewable in the United*  
16       *States Court of Appeals for the Ninth Circuit or the*  
17       *United States Court of Appeals for the District of Co-*  
18       *lumbia, respectively, or in the United States Supreme*  
19       *Court as provided by the laws of the United States.*

20               *(e) The judicial remedy provided for in this sec-*  
21       *tion shall be the exclusive remedy for the judicial re-*  
22       *view or enforcement of the obligations of the Govern-*  
23       *ment of the United States under this Article and ac-*  
24       *tions brought under section 172(b), which relate to the*

1        *activities of the Government of the United States and*  
2        *its officers and employees governed by section 161.*

3            *(f) In actions pursuant to this section, the Gov-*  
4        *ernment of the Republic of the Marshall Islands shall*  
5        *be treated as if it were a United States citizen.*

6    *Section 163*

7        *(a) For the purpose of gathering data necessary to*  
8        *study the environmental effects of activities of the Govern-*  
9        *ment of the United States subject to the requirements of this*  
10       *Article, the Government of the Republic of the Marshall Is-*  
11       *lands shall be granted access to facilities operated by the*  
12       *Government of the United States in the Republic of the*  
13       *Marshall Islands, to the extent necessary for this purpose,*  
14       *except to the extent such access would unreasonably inter-*  
15       *fere with the exercise of the authority and responsibility of*  
16       *the Government of the United States under Title Three.*

17       *(b) The Government of the United States, in turn, shall*  
18       *be granted access to the Republic of the Marshall Islands*  
19       *for the purpose of gathering data necessary to discharge its*  
20       *obligations under this Article, except to the extent such ac-*  
21       *cess would unreasonably interfere with the exercise of the*  
22       *authority and responsibility of the Government of the Re-*  
23       *public of the Marshall Islands under Title One, and to the*  
24       *extent necessary for this purpose shall be granted access to*  
25       *documents and other information to the same extent similar*

1 access is provided the Government of the Republic of the  
 2 Marshall Islands under the Freedom of Information Act, 5  
 3 U.S.C. 552.

4 (c) The Government of the Republic of the Marshall  
 5 Islands shall not impede efforts by the Government of the  
 6 United States to comply with applicable standards and  
 7 procedures.

## 8 Article VII

### 9 General Legal Provisions

#### 10 Section 171

11 Except as provided in this Compact, as amended, or  
 12 its related agreements, the application of the laws of the  
 13 United States to the Trust Territory of the Pacific Islands  
 14 by virtue of the Trusteeship Agreement ceased with respect  
 15 to the Marshall Islands on October 21, 1986, the date the  
 16 Compact went into effect.

#### 17 Section 172

18 (a) Every citizen of the Republic of the Marshall Is-  
 19 lands who is not a resident of the United States shall enjoy  
 20 the rights and remedies under the laws of the United States  
 21 enjoyed by any non-resident alien.

22 (b) The Government of the Republic of the Marshall  
 23 Islands and every citizen of the Republic of the Marshall  
 24 Islands shall be considered to be a “person” within the  
 25 meaning of the Freedom of Information Act, 5 U.S.C. 552,

1 *and of the judicial review provisions of the Administrative*  
2 *Procedure Act, 5 U.S.C. 701-706, except that only the Gov-*  
3 *ernment of the Republic of the Marshall Islands may seek*  
4 *judicial review under the Administrative Procedure Act or*  
5 *judicial enforcement under the Freedom of Information Act*  
6 *when such judicial review or enforcement relates to the ac-*  
7 *tivities of the Government of the United States governed by*  
8 *sections 161 and 162.*

9 *Section 173*

10 *The Governments of the United States and the Repub-*  
11 *lic of the Marshall Islands agree to adopt and enforce such*  
12 *measures, consistent with this Compact, as amended, and*  
13 *its related agreements, as may be necessary to protect the*  
14 *personnel, property, installations, services, programs and*  
15 *official archives and documents maintained by the Govern-*  
16 *ment of the United States in the Republic of the Marshall*  
17 *Islands pursuant to this Compact, as amended, and its re-*  
18 *lated agreements and by the Government of the Republic*  
19 *of the Marshall Islands in the United States pursuant to*  
20 *this Compact, Compact, as amended, and its related agree-*  
21 *ments.*

22 *Section 174*

23 *Except as otherwise provided in this Compact, as*  
24 *amended, and its related agreements:*

1           (a) *The Government of the Republic of the Mar-*  
2           *shall Islands, and its agencies and officials, shall be*  
3           *immune from the jurisdiction of the court of the*  
4           *United States, and the Government of the United*  
5           *States, and its agencies and officials, shall be immune*  
6           *from the jurisdiction of the courts of the Republic of*  
7           *the Marshall Islands.*

8           (b) *The Government of the United States accepts*  
9           *responsibility for and shall pay:*

10               (1) *any unpaid money judgment rendered*  
11               *by the High Court of the Trust Territory of the*  
12               *Pacific Islands against the Government of the*  
13               *United States with regard to any cause of action*  
14               *arising as a result of acts or omissions of the*  
15               *Government of the Trust Territory of the Pacific*  
16               *Islands or the Government of the United States*  
17               *prior to October 21, 1986;*

18               (2) *any claim settled by the claimant and*  
19               *the Government of the Trust Territory of the Pa-*  
20               *cific Islands but not paid as of the October 21,*  
21               *1986; and*

22               (3) *settlement of any administrative claim*  
23               *or of any action before a court of the Trust Ter-*  
24               *ritory of the Pacific Islands or the Government*  
25               *of the United States, arising as a result of acts*

1           *or omissions of the Government of the Trust Ter-*  
2           *ritory of the Pacific Islands or the Government*  
3           *of the United States.*

4           *(c) Any claim not referred to in section 174(b)*  
5           *and arising from an act or omission of the Govern-*  
6           *ment of the Trust Territory of the Pacific Islands or*  
7           *the Government of the United States prior to the effec-*  
8           *tive date of the Compact shall be adjudicated in the*  
9           *same manner as a claim adjudicated according to sec-*  
10          *tion 174(d). In any claim against the Government of*  
11          *the Trust Territory of the Pacific Islands, the Govern-*  
12          *ment of the United States shall stand in the place of*  
13          *the Government of the Trust Territory of the Pacific*  
14          *Islands. A judgment on any claim referred to in sec-*  
15          *tion 174(b) or this subsection, not otherwise satisfied*  
16          *by the Government of the United States, may be pre-*  
17          *sented for certification to the United States Court of*  
18          *Appeals for the Federal Circuit, or its successor*  
19          *courts, which shall have jurisdiction therefore, not-*  
20          *withstanding the provisions of 28 U.S.C. 1502, and*  
21          *which court's decisions shall be reviewable as provided*  
22          *by the laws of the United States. The United States*  
23          *Court of Appeals for the Federal Circuit shall certify*  
24          *such judgment, and order payment thereof, unless it*  
25          *finds, after a hearing, that such judgment is mani-*

1       *festly erroneous as to law or fact, or manifestly exces-*  
2       *sive. In either of such cases the United States Court*  
3       *of Appeals for the Federal Circuit shall have jurisdic-*  
4       *tion to modify such judgment.*

5               *(d) The Government of the Republic of the Mar-*  
6       *shall Islands shall not be immune from the jurisdic-*  
7       *tion of the courts of the United States, and the Gov-*  
8       *ernment of the United States shall not be immune*  
9       *from the jurisdiction of the courts of the Republic of*  
10       *the Marshall Islands in any civil case in which an*  
11       *exception to foreign state immunity is set forth in the*  
12       *Foreign Sovereign Immunities Act (28 U.S.C. 1602 et*  
13       *seq.) or its successor statutes.*

14       *Section 175*

15       *(a) A separate agreement, which shall come into effect*  
16       *simultaneously with this Compact, as amended, and shall*  
17       *have the force of law, shall govern mutual assistance and*  
18       *cooperation in law enforcement matters, including the pur-*  
19       *suit, capture, imprisonment and extradition of fugitives*  
20       *from justice and the transfer of prisoners, as well as other*  
21       *law enforcement matters. In the United States, the laws of*  
22       *the United States governing international extradition, in-*  
23       *cluding 18 U.S.C. 3184, 3186, and 3188–95, shall be appli-*  
24       *cable to the extradition of fugitives under the separate*  
25       *agreement, and the laws of the United States governing the*

1 *transfer of prisoners, including 18 U.S.C. 4100–15, shall*  
2 *be applicable to the transfer of prisoners under the separate*  
3 *agreement; and*

4 *(b) A separate agreement, which shall come into effect*  
5 *simultaneously with this Compact, as amended, and shall*  
6 *have the force of law, shall govern requirements relating to*  
7 *labor recruitment practices, including registration, report-*  
8 *ing, suspension or revocation of authorization to recruit*  
9 *persons for employment in the United States, and enforce-*  
10 *ment for violations of such requirements.*

11 *Section 176*

12 *The Government of the Republic of the Marshall Is-*  
13 *lands confirms that final judgments in civil cases rendered*  
14 *by any court of the Trust Territory of the Pacific Islands*  
15 *shall continue in full force and effect, subject to the constitu-*  
16 *tional power of the courts of the Republic of the Marshall*  
17 *Islands to grant relief from judgments in appropriate cases.*

18 *Section 177*

19 *Section 177 of the Compact entered into force with re-*  
20 *spect to the Marshall Islands on October 21, 1986 as follows:*

21 *“(a) The Government of the United States ac-*  
22 *cepts the responsibility for compensation owing to*  
23 *citizens of the Marshall Islands, or the Federated*  
24 *States of Micronesia, (or Palau) for loss or damage*  
25 *to property and person of the citizens of the Marshall*



1     *Islands, or the Federated States of Micronesia, result-*  
2     *ing from the nuclear testing program which the Gov-*  
3     *ernment of the United States conducted in the North-*  
4     *ern Marshall Islands between June 30, 1946, and Au-*  
5     *gust 18, 1958.*

6             *(b) The Government of the United States and the*  
7     *Government of the Marshall Islands shall set forth in*  
8     *a separate agreement provisions for the just and ade-*  
9     *quate settlement of all such claims which have arisen*  
10    *in regard to the Marshall Islands and its citizens and*  
11    *which have not as yet been compensated or which in*  
12    *the future may arise, for the continued administra-*  
13    *tion by the Government of the United States of direct*  
14    *radiation related medical surveillance and treatment*  
15    *programs and radiological monitoring activities and*  
16    *for such additional programs and activities as may*  
17    *be mutually agreed, and for the assumption by the*  
18    *Government of the Marshall Islands of responsibility*  
19    *for enforcement of limitations on the utilization of af-*  
20    *ected areas developed in cooperation with the Govern-*  
21    *ment of the United States and for the assistance by*  
22    *the Government of the United States in the exercise*  
23    *of such responsibility as may be mutually agreed.*  
24    *This separate agreement shall come into effect simul-*

1        *taneously with this Compact and shall remain in ef-*  
2        *fect in accordance with its own terms.*

3            *(c) The Government of the United States shall*  
4        *provide to the Government of the Marshall Islands, on*  
5        *a grant basis, the amount of \$150 million to be paid*  
6        *and distributed in accordance with the separate*  
7        *agreement referred to in this Section, and shall pro-*  
8        *vide the services and programs set forth in this sepa-*  
9        *rate agreement, the language of which is incorporated*  
10       *into this Compact.”*

11       *The Compact, as amended, makes no changes to, and has*  
12       *no effect upon, Section 177 of the Compact, nor does the*  
13       *Compact, as amended, change or affect the separate agree-*  
14       *ment referred to in Section 177 of the Compact including*  
15       *Articles IX and X of that separate agreement, and measures*  
16       *taken by the parties thereunder.*

17       *Section 178*

18            *(a) The Federal agencies of the Government of the*  
19        *United States that provide services and related programs*  
20        *in the Republic of the Marshall Islands pursuant to Title*  
21        *Two are authorized to settle and pay tort claims arising*  
22        *in the Republic of the Marshall Islands from the activities*  
23        *of such agencies or from the acts or omissions of the employ-*  
24        *ees of such agencies. Except as provided in section 178(b),*  
25        *the provisions of 28 U.S.C. 2672 and 31 U.S.C. 1304 shall*

1 *apply exclusively to such administrative settlements and*  
 2 *payments.*

3       **(b)** *Claims under section 178(a) that cannot be settled*  
 4 *under section 178(a) shall be disposed of exclusively in ac-*  
 5 *cordance with Article II of Title Four. Arbitration awards*  
 6 *rendered pursuant to this subsection shall be paid out of*  
 7 *funds under 31 U.S.C. 1304.*

8       **(c)** *The Government of the United States and the Gov-*  
 9 *ernment of the Republic of the Marshall Islands shall, in*  
 10 *the separate agreement referred to in section 231, provide*  
 11 *for:*

12               **(1)** *the administrative settlement of claims re-*  
 13 *ferred to in section 178(a), including designation of*  
 14 *local agents in each State of the Republic of the Mar-*  
 15 *shall Islands; such agents to be empowered to accept,*  
 16 *investigate and settle such claims, in a timely man-*  
 17 *ner, as provided in such separate agreements; and*

18               **(2)** *arbitration, referred to in section 178(b), in*  
 19 *a timely manner, at a site convenient to the claim-*  
 20 *ant, in the event a claim is not otherwise settled pur-*  
 21 *suant to section 178(a).*

22       **(d)** *The provisions of section 174(d) shall not apply*  
 23 *to claims covered by this section.*

24       **(e)** *Except as otherwise explicitly provided by law of*  
 25 *the United States, this Compact, as amended, or its related*

1 *agreements, neither the Government of the United States,*  
2 *its instrumentalities, nor any person acting on behalf of*  
3 *the Government of the United States, shall be named a*  
4 *party in any action based on, or arising out of, the activity*  
5 *or activities of a recipient of any grant or other assistance*  
6 *provided by the Government of the United States (or the*  
7 *activity or activities of the recipient's agency or any other*  
8 *person or entity acting on behalf of the recipient).*

9 *Section 179*

10       *(a) The courts of the Republic of the Marshall Islands*  
11 *shall not exercise criminal jurisdiction over the Government*  
12 *of the United States, or its instrumentalities.*

13       *(b) The courts of the Republic of the Marshall Islands*  
14 *shall not exercise criminal jurisdiction over any person if*  
15 *the Government of the United States provides notification*  
16 *to the Government of the Republic of the Marshall Islands*  
17 *that such person was acting on behalf of the Government*  
18 *of the United States, for actions taken in furtherance of sec-*  
19 *tion 221 or 224 of this amended Compact, or any other*  
20 *provision of law authorizing financial, program, or service*  
21 *assistance to the Republic of the Marshall Islands.*

1 *TITLE TWO*  
2 *ECONOMIC RELATIONS*

3 *Article I*

4 *Grant Assistance*

5 *Section 211 - Annual Grant Assistance*

6 *(a) In order to assist the Government of the Republic*  
7 *of the Marshall Islands in its efforts to promote the eco-*  
8 *nomie advancement and budgetary self-reliance of its peo-*  
9 *ple, and in recognition of the special relationship that exists*  
10 *between the Republic of the Marshall Islands and the United*  
11 *States, the Government of the United States shall provide*  
12 *assistance on a grant basis for a period of twenty years*  
13 *in the amounts set forth in section 217, commencing on the*  
14 *effective date of this Compact, as amended. Such grants*  
15 *shall be used for assistance in education, health care, the*  
16 *environment, public sector capacity building, and private*  
17 *sector development, or for other areas as mutually agreed,*  
18 *with priorities in the education and health care sectors.*  
19 *Consistent with the medium-term budget and investment*  
20 *framework described in subsection (f) of this section, the*  
21 *proposed division of this amount among the identified areas*  
22 *shall require the concurrence of both the Government of the*  
23 *United States and the Government of the Republic of the*  
24 *Marshall Islands, through the Joint Economic Management*  
25 *and Financial Accountability Committee described in sec-*

1 tion 214. The Government of the United States shall dis-  
 2 burse the grant assistance and monitor the use of such grant  
 3 assistance in accordance with the provisions of this Article  
 4 and an Agreement Concerning Procedures for the Imple-  
 5 mentation of United States Economic Assistance Provided  
 6 in the Compact, as Amended, of Free Association Between  
 7 the Government of the United States of America and the  
 8 Government of the Republic of the Marshall Islands (“Fiscal  
 9 Procedures Agreement”) which shall come into effect simul-  
 10 taneously with this Compact, as amended.

11 (1) *EDUCATION*.—United States grant assistance  
 12 shall be made available in accordance with the stra-  
 13 tegic framework described in subsection (f) of this sec-  
 14 tion to support and improve the educational system  
 15 of the Republic of the Marshall Islands and develop  
 16 the human, financial, and material resources nec-  
 17 essary for the Republic of the Marshall Islands to per-  
 18 form these services. Emphasis should be placed on ad-  
 19 vancing a quality basic education system.

20 (2) *HEALTH*.—United States grant assistance  
 21 shall be made available in accordance with the stra-  
 22 tegic framework described in subsection (f) of this sec-  
 23 tion to support and improve the delivery of preven-  
 24 tive, curative and environmental care and develop the  
 25 human, financial, and material resources necessary

1     *for the Republic of the Marshall Islands to perform*  
2     *these services.*

3           (3) *PRIVATE SECTOR DEVELOPMENT.*—*United*  
4     *States grant assistance shall be made available in ac-*  
5     *cordance with the strategic framework described in*  
6     *subsection (f) of this section to support the efforts of*  
7     *the Republic of the Marshall Islands to attract foreign*  
8     *investment and increase indigenous business activity*  
9     *by vitalizing the commercial environment, ensuring*  
10    *fair and equitable application of the law, promoting*  
11    *adherence to core labor standards, maintaining*  
12    *progress toward privatization of state-owned and par-*  
13    *tially state-owned enterprises, and engaging in other*  
14    *reforms.*

15          (4) *CAPACITY BUILDING IN THE PUBLIC SEC-*  
16    *TOR.*—*United States grant assistance shall be made*  
17    *available in accordance with the strategic framework*  
18    *described in subsection (f) of this section to support*  
19    *the efforts of the Republic of the Marshall Islands to*  
20    *build effective, accountable and transparent national*  
21    *and local government and other public sector institu-*  
22    *tions and systems.*

23          (5) *ENVIRONMENT.*—*United States grant assist-*  
24    *ance shall be made available in accordance with the*  
25    *strategic framework described in subsection (f) of this*

1      *section to increase environmental protection; establish*  
2      *and manage conservation areas; engage in environ-*  
3      *mental infrastructure planning, design construction*  
4      *and operation; and to involve the citizens of the Re-*  
5      *public of the Marshall Islands in the process of con-*  
6      *serving their country's natural resources.*

7      *(b) KWAJALEIN ATOLL.—*

8            *(1) Of the total grant assistance made available*  
9      *under subsection (a) of this section, the amount speci-*  
10     *fied herein shall be allocated annually from fiscal*  
11     *year 2004 through fiscal year 2023 (and thereafter in*  
12     *accordance with the Agreement between the Govern-*  
13     *ment of the United States and the Government of the*  
14     *Republic of the Marshall Islands Regarding Military*  
15     *Use and Operating Rights) to advance the objectives*  
16     *and specific priorities set forth in subsections (a) and*  
17     *(d) of this section and the Fiscal Procedures Agree-*  
18     *ment, to address the special needs of the community*  
19     *at Ebeye, Kwajalein Atoll and other Marshallese com-*  
20     *munities within Kwajalein Atoll. This United States*  
21     *grant assistance shall be made available, in accord-*  
22     *ance with the medium-term budget and investment*  
23     *framework described in subsection (f) of this section,*  
24     *to support and improve the infrastructure and deliv-*  
25     *ery of services and develop the human and material*



1        *resources necessary for the Republic of the Marshall*  
2        *Islands to carry out its responsibility to maintain*  
3        *such infrastructure and deliver such services. The*  
4        *amount of this assistance shall be \$3,100,000, with an*  
5        *inflation adjustment as provided in section 218, from*  
6        *fiscal year 2004 through fiscal year 2013 and the fis-*  
7        *cal year 2013 level of funding, with an inflation ad-*  
8        *justment as provided in section 218, will be increased*  
9        *by \$2 million for fiscal year 2014. The fiscal year*  
10       *2014 level of funding, with an inflation adjustment as*  
11       *provided in section 218, will be made available from*  
12       *fiscal year 2015 through fiscal year 2023 (and there-*  
13       *after as noted above).*

14            *(2) The Government of the United States shall*  
15        *also provide to the Government of the Republic of the*  
16        *Marshall Islands, in conjunction with section 321(a)*  
17        *of this Compact, as amended, an annual payment*  
18        *from fiscal year 2004 through fiscal year 2023 (and*  
19        *thereafter in accordance with the Agreement between*  
20        *the Government of the United States and the Govern-*  
21        *ment of the Republic of the Marshall Islands Regard-*  
22        *ing Military Use and Operating Rights) of \$1.9 mil-*  
23        *lion. This grant assistance will be subject to the Fis-*  
24        *cal Procedures Agreement and will be adjusted for in-*  
25        *flation under section 218 and used to address the spe-*

1      *cial needs of the community at Ebeye, Kwajalein*  
 2      *Atoll and other Marshallese communities within*  
 3      *Kwajalein Atoll with emphasis on the Kwajalein*  
 4      *landowners, as described in the Fiscal Procedures*  
 5      *Agreement.*

6            (3) *Of the total grant assistance made available*  
 7      *under subsection (a) of this section, and in conjunc-*  
 8      *tion with section 321(a) of the Compact, as amended,*  
 9      *\$200,000, with an inflation adjustment as provided*  
 10     *in section 218, shall be allocated annually from fiscal*  
 11     *year 2004 through fiscal year 2023 (and thereafter as*  
 12     *provided in the Agreement between the Government of*  
 13     *the United States and the Government of the Republic*  
 14     *of the Marshall Islands Regarding Military Use and*  
 15     *Operating Rights) for a grant to support increased*  
 16     *participation of the Government of the Republic of the*  
 17     *Marshall Islands Environmental Protection Authority*  
 18     *in the annual U.S. Army Kwajalein Atoll Environ-*  
 19     *mental Standards Survey and to promote a greater*  
 20     *Government of the Republic of the Marshall Islands*  
 21     *capacity for independent analysis of the Survey's*  
 22     *findings and conclusions.*

23            (c) *HUMANITARIAN ASSISTANCE-REPUBLIC OF THE*  
 24     *MARSHALL ISLANDS PROGRAM.—In recognition of the spe-*  
 25     *cial development needs of the Republic of the Marshall Is-*

1 *lands, the Government of the United States shall make*  
 2 *available to the Government of the Republic of the Marshall*  
 3 *Islands, on its request and to be deducted from the grant*  
 4 *amount made available under subsection (a) of this section,*  
 5 *a Humanitarian Assistance - Republic of the Marshall Is-*  
 6 *lands (“HARMI”) Program with emphasis on health, edu-*  
 7 *cation, and infrastructure (including transportation),*  
 8 *projects and such other projects as mutually agreed. The*  
 9 *terms and conditions of the HARMI shall be set forth in*  
 10 *the Agreement Regarding the Military Use and Operating*  
 11 *Rights of the Government of the United States in the Repub-*  
 12 *lic of the Marshall Islands Concluded Pursuant to Sections*  
 13 *321 and 323 of the Compact of Free Association, as Amend-*  
 14 *ed, which shall come into effect simultaneously with the*  
 15 *amendments to this Compact.*

16 (d) *PUBLIC INFRASTRUCTURE.—*

17 (1) *Unless otherwise agreed, not less than 30 per-*  
 18 *cent and not more than 50 percent of U.S. annual*  
 19 *grant assistance provided under this section shall be*  
 20 *made available in accordance with a list of specific*  
 21 *projects included in the infrastructure improvement*  
 22 *and maintenance plan prepared by the Government*  
 23 *of the Republic of the Marshall Islands as part of the*  
 24 *strategic framework described in subsection (f) of this*  
 25 *section.*

1           (2) *INFRASTRUCTURE MAINTENANCE FUND.*—  
 2       *Five percent of the annual public infrastructure grant*  
 3       *made available under paragraph (1) of this subsection*  
 4       *shall be set aside, with an equal contribution from the*  
 5       *Government of the Republic of the Marshall Islands,*  
 6       *as a contribution to an Infrastructure Maintenance*  
 7       *Fund. Administration of the Infrastructure Mainte-*  
 8       *nance Fund shall be governed by the Fiscal Proce-*  
 9       *dures Agreement.*

10       (e) *DISASTER ASSISTANCE EMERGENCY FUND.*—Of  
 11       *the total grant assistance made available under subsection*  
 12       *(a) of this section, an amount of two hundred thousand dol-*  
 13       *lars (\$200,000) shall be provided annually, with an equal*  
 14       *contribution from the Government of the Republic of the*  
 15       *Marshall Islands, as a contribution to a Disaster Assistance*  
 16       *Emergency Fund (“DAEF”). Any funds from the DAEF*  
 17       *may be used only for assistance and rehabilitation resulting*  
 18       *from disasters and emergencies. The funds will be accessed*  
 19       *upon declaration of a State of Emergency by the Govern-*  
 20       *ment of the Republic of the Marshall Islands, with the con-*  
 21       *currence of the United States Chief of Mission to the Repub-*  
 22       *lic of the Marshall Islands. Administration of the DAEF*  
 23       *shall be governed by the Fiscal Procedures Agreement.*

24       (f) *BUDGET AND INVESTMENT FRAMEWORK.*—The  
 25       *Government of the Republic of the Marshall Islands shall*

1 *prepare and maintain an official medium-term budget and*  
 2 *investment framework. The framework shall be strategic in*  
 3 *nature, shall be continuously reviewed and updated through*  
 4 *the annual budget process, and shall make projections on*  
 5 *a multi-year rolling basis. Each of the sectors and areas*  
 6 *named in subsections (a), (b), and (d) of this section, or*  
 7 *other sectors and areas as mutually agreed, shall be ac-*  
 8 *corded specific treatment in the framework. Those portions*  
 9 *of the framework that contemplate the use of United States*  
 10 *grant funds shall require the concurrence of both the Gov-*  
 11 *ernment of the United States and the Government of the*  
 12 *Republic of the Marshall Islands.*

13 *Section 212 - Kwajalein Impact and Use*

14 *The Government of the United States shall provide to*  
 15 *the Government of the Republic of the Marshall Islands in*  
 16 *conjunction with section 321(a) of the Compact, as amend-*  
 17 *ed, and the agreement between the Government of the*  
 18 *United States and the Government of the Republic of the*  
 19 *Marshall Islands regarding military use and operating*  
 20 *rights, a payment in fiscal year 2004 of \$15,000,000, with*  
 21 *no adjustment for inflation. In fiscal year 2005 and*  
 22 *through fiscal year 2013, the annual payment will be the*  
 23 *fiscal year 2004 amount (\$15,000,000) with an inflation*  
 24 *adjustment as provided under section 218. In fiscal year*  
 25 *2014, the annual payment will be \$18,000,000 (with no ad-*

1 *justment for inflation) or the fiscal year 2013 amount with*  
2 *an inflation adjustment under section 218, whichever is*  
3 *greater. For fiscal year 2015 through fiscal year 2023 (and*  
4 *thereafter in accordance with the Agreement between the*  
5 *Government of the United States and the Government of*  
6 *the Republic of the Marshall Islands Regarding Military*  
7 *Use and Operating Rights) the annual payment will be the*  
8 *fiscal year 2014 amount, with an inflation adjustment as*  
9 *provided under section 218.*

10 *Section 213 - Accountability*

11 *(a) Regulations and policies normally applicable to*  
12 *United States financial assistance to its state and local gov-*  
13 *ernments, as set forth in the Fiscal Procedures Agreement,*  
14 *shall apply to each grant described in section 211, and to*  
15 *grants administered under section 221 below, except as*  
16 *modified in the separate agreements referred to in section*  
17 *231 of this Compact, as amended, or by U.S. law. As set*  
18 *forth in the Fiscal Procedures Agreement, reasonable terms*  
19 *and conditions, including annual performance indicators*  
20 *that are necessary to ensure effective use of United States*  
21 *assistance and reasonable progress toward achieving pro-*  
22 *gram objectives may be attached. In addition, the United*  
23 *States may seek appropriate remedies for noncompliance*  
24 *with the terms and conditions attached to the assistance,*

1 *or for failure to comply with section 234, including with-*  
 2 *holding assistance.*

3       **(b)** *The Government of the United States shall, for each*  
 4 *fiscal year of the twenty years during which assistance is*  
 5 *to be provided on a sector grant basis under section 211*  
 6 *(a), grant the Government of the Republic of the Marshall*  
 7 *Islands an amount equal to the lesser of (i) one half of the*  
 8 *reasonable, properly documented cost incurred during such*  
 9 *fiscal year to conduct the annual audit required under Arti-*  
 10 *cle VIII (2) of the Fiscal Procedures Agreement or (ii)*  
 11 *\$500,000. Such amount will not be adjusted for inflation*  
 12 *under section 218 or otherwise.*

13 *Section 214 - Joint Economic Management and Financial*  
 14 *Accountability Committee*

15       *The Governments of the United States and the Repub-*  
 16 *lic of the Marshall Islands shall establish a Joint Economic*  
 17 *Management and Financial Accountability Committee,*  
 18 *composed of a U.S. chair, two other members from the Gov-*  
 19 *ernment of the United States and two members from the*  
 20 *Government of the Republic of the Marshall Islands. The*  
 21 *Joint Economic Management and Financial Accountability*  
 22 *Committee shall meet at least once each year to review the*  
 23 *audits and reports required under this Title and the Fiscal*  
 24 *Procedures Agreement, evaluate the progress made by the*  
 25 *Republic of the Marshall Islands in meeting the objectives*

1 *identified in its framework described in subsection (f) of*  
2 *section 211, with particular focus on those parts of the*  
3 *framework dealing with the sectors and areas identified in*  
4 *subsection (a) of section 211, identify problems encountered,*  
5 *and recommend ways to increase the effectiveness of U.S.*  
6 *assistance made available under this Title. The establish-*  
7 *ment and operations of the Joint Economic Management*  
8 *and Financial Accountability Committee shall be governed*  
9 *by the Fiscal Procedures Agreement.*

10 *Section 215 - Annual Report*

11 *The Government of the Republic of the Marshall Is-*  
12 *lands shall report annually to the President of the United*  
13 *States on the use of United States sector grant assistance*  
14 *and other assistance and progress in meeting mutually*  
15 *agreed program and economic goals. The Joint Economic*  
16 *Management and Financial Accountability Committee*  
17 *shall review and comment on the report and make appro-*  
18 *priate recommendations based thereon.*

19 *Section 216 - Trust Fund*

20 *(a) The United States shall contribute annually for*  
21 *twenty years from the effective date of the Compact, as*  
22 *amended, in the amounts set forth in section 217 into a*  
23 *trust fund established in accordance with the Agreement Be-*  
24 *tween the Government of the United States of America and*  
25 *the Government of the Republic of the Marshall Islands Im-*



1 plementing Section 216 and Section 217 of the Compact,  
 2 as Amended, Regarding a Trust Fund (“Trust Fund Agree-  
 3 ment”), which shall come into effect simultaneously with  
 4 this Compact, as amended. Upon termination of the annual  
 5 grant assistance under section 211 (a), (d) and (e), the  
 6 earnings of the fund shall thereafter be used for the purposes  
 7 described in section 211 or as otherwise mutually agreed.

8 (b) The United States contribution into the Trust  
 9 Fund described in subsection (a) of this section is condi-  
 10 tioned on the Government of the Republic of the Marshall  
 11 Islands contributing to the Trust Fund at least  
 12 \$25,000,000, on the effective date of the Trust Fund Agree-  
 13 ment or on October 1, 2003, whichever is later, \$2,500,000  
 14 prior to October 1, 2004, and \$2,500,000 prior to October  
 15 1, 2005. Any funds received by the Republic of the Marshall  
 16 Islands under section 111(d) of Public Law 99–239 (Janu-  
 17 ary 14, 1986), or successor provisions, would be contributed  
 18 to the Trust Fund as a Republic of the Marshall Islands’  
 19 contribution.

20 (c) The terms regarding the investment and manage-  
 21 ment of funds and use of the income of the Trust Fund shall  
 22 be governed by the Trust Fund Agreement. Funds derived  
 23 from United States investment shall not be subject to Fed-  
 24 eral or state taxes in the United States or any taxes in  
 25 the Republic of the Marshall Islands. The Trust Fund

1 *Agreement shall also provide for annual reports to the Gov-*  
2 *ernment of the United States and to the Government of the*  
3 *Republic of the Marshall Islands. The Trust Fund Agree-*  
4 *ment shall provide for appropriate distributions of trust*  
5 *fund proceeds to the Republic of the Marshall Islands and*  
6 *for appropriate remedies for the failure of the Republic of*  
7 *the Marshall Islands to use income of the Trust Fund for*  
8 *the annual grant purposes set forth in section 211. These*  
9 *remedies may include the return to the United States of*  
10 *the present market value of its contributions to the Trust*  
11 *Fund and the present market value of any undistributed*  
12 *income on the contributions of the United States. If this*  
13 *Compact, as amended, is terminated, the provisions of sec-*  
14 *tions 451–453 of the Compact, as amended, and the Trust*  
15 *Fund Agreement shall govern treatment of any U.S. con-*  
16 *tributions to the Trust Fund or accrued income thereon.*  
17 *Section 217 - Annual Grant Funding and Trust Fund Con-*  
18 *tributions*

19 *The funds described in sections 211, 212, 213(b), and*  
20 *216 shall be made available as follows:*

*[In millions of dollars]*

<i>Fiscal year</i>	<i>Annual Grants Section 211</i>	<i>Audit Grant Section 213(b)</i>	<i>Trust Fund Section 216 (a&amp;c)</i>	<i>Kwajalein Im- pact Section 212</i>	<i>Total</i>
2004 .....	35.2	.5	7	15.0	57.7
2005 .....	34.7	.5	7.5	15.0	57.7
2006 .....	34.2	.5	8	15.0	57.7
2007 .....	33.7	.5	8.5	15.0	57.7
2008 .....	33.2	.5	9	15.0	57.7
2009 .....	32.7	.5	9.5	15.0	57.7
2010 .....	32.2	.5	10	15.0	57.7
2011 .....	31.7	.5	10.5	15.0	57.7
2012 .....	31.2	.5	11	15.0	57.7
2013 .....	30.7	.5	11.5	15.0	57.7

*[In millions of dollars]*

<i>Fiscal year</i>	<i>Annual Grants Section 211</i>	<i>Audit Grant Section 213(b)</i>	<i>Trust Fund Section 216 (a&amp;c)</i>	<i>Kwajalein Im- pact Section 212</i>	<i>Total</i>
2014 .....	32.2	.5	12	18.0	62.7
2015 .....	31.7	.5	12.5	18.0	62.7
2016 .....	31.2	.5	13	18.0	62.7
2017 .....	30.7	.5	13.5	18.0	62.7
2018 .....	30.2	.5	14	18.0	62.7
2019 .....	29.7	.5	14.5	18.0	62.7
2020 .....	29.2	.5	15	18.0	62.7
2021 .....	28.7	.5	15.5	18.0	62.7
2022 .....	28.2	.5	16	18.0	62.7
2023 .....	27.7	.5	16.5	18.0	62.7

### 1 *Section 218 - Inflation Adjustment*

2       *Except as otherwise provided, the amounts stated in*  
3 *this Title shall be adjusted for each United States Fiscal*  
4 *Year by the percent that equals two-thirds of the percent*  
5 *change in the United States Gross Domestic Product Im-*  
6 *plicit Price Deflator, or 5 percent, whichever is less in any*  
7 *one year, using the beginning of Fiscal Year 2004 as a base.*

### 8 *Section 219 - Carry-Over of Unused Funds*

9       *If in any year the funds made available by the Govern-*  
10 *ment of the United States for that year pursuant to this*  
11 *Article are not completely obligated by the Government of*  
12 *the Republic of the Marshall Islands, the unobligated bal-*  
13 *ances shall remain available in addition to the funds to*  
14 *be provided in subsequent years.*

## 15 *Article II*

### 16 *Services and Program Assistance*

#### 17 *Section 221*

18       *(a) SERVICES.—The Government of the United States*  
19 *shall make available to the Republic of the Marshall Islands,*

1 *in accordance with and to the extent provided in the Fed-*  
2 *eral Programs and Services Agreement referred to in Sec-*  
3 *tion 231, the services and related programs of:*

4 *(1) the United States Weather Service;*

5 *(2) the United States Postal Service;*

6 *(3) the United States Federal Aviation Adminis-*  
7 *tration;*

8 *(4) the United States Department of Transpor-*  
9 *tation; and*

10 *(5) the Department of Homeland Security, and*  
11 *the United States Agency for International Develop-*  
12 *ment, Office of Foreign Disaster Assistance.*

13 *Upon the effective date of this Compact, as amended, the*  
14 *United States Departments and Agencies named or having*  
15 *responsibility to provide these services and related programs*  
16 *shall have the authority to implement the relevant provi-*  
17 *sions of the Federal Programs and Services Agreement re-*  
18 *ferred to in section 231.*

19 *(b) PROGRAMS.—*

20 *(1) Other than the services and programs covered*  
21 *by subsection (a) of this section, and to the extent au-*  
22 *thorized by the Congress of the United States, the*  
23 *Government of the United States shall make available*  
24 *to the Republic of the Marshall Islands the services*  
25 *and programs that were available to the Republic of*

1       *the Marshall Islands on the effective date of this Com-*  
2        *pact, as amended, to the extent that such services and*  
3        *programs continue to be available to State and local*  
4        *governments of the United States. As set forth in the*  
5        *Fiscal Procedures Agreement, funds provided under*  
6        *subsection (a) of section 211 shall be considered to be*  
7        *local revenues of the Government of the Republic of*  
8        *the Marshall Islands when used as the local share re-*  
9        *quired to obtain Federal programs and services.*

10           *(2) Unless provided otherwise by U.S. law, the*  
11        *services and programs described in paragraph (1) of*  
12        *this subsection shall be extended in accordance with*  
13        *the terms of the Federal Programs and Services*  
14        *Agreement.*

15       *(c) The Government of the United States shall have*  
16        *and exercise such authority as is necessary to carry out its*  
17        *responsibilities under this Title and the Federal Programs*  
18        *and Services Agreement, including the authority to monitor*  
19        *and administer all service and program assistance provided*  
20        *by the United States to the Republic of the Marshall Is-*  
21        *lands. The Federal Programs and Services Agreement shall*  
22        *also set forth the extent to which services and programs shall*  
23        *be provided to the Republic of the Marshall Islands.*

24       *(d) Except as provided elsewhere in this Compact, as*  
25        *amended, under any separate agreement entered into under*

1 *this Compact, as amended, or otherwise under U.S. law,*  
2 *all Federal domestic programs extended to or operating in*  
3 *the Republic of the Marshall Islands shall be subject to all*  
4 *applicable criteria, standards, reporting requirements, au-*  
5 *ditng procedures, and other rules and regulations applica-*  
6 *ble to such programs and services when operating in the*  
7 *United States.*

8       (e) *The Government of the United States shall make*  
9 *available to the Republic of the Marshall Islands alternate*  
10 *energy development projects, studies, and conservation*  
11 *measures to the extent provided for the Freely Associated*  
12 *States in the laws of the United States.*

13 *Section 222*

14       *The Government of the United States and the Govern-*  
15 *ment of the Republic of the Marshall Islands may agree*  
16 *from time to time to extend to the Republic of the Marshall*  
17 *Islands additional United States grant assistance, services*  
18 *and programs, as provided under the laws of the United*  
19 *States. Unless inconsistent with such laws, or otherwise spe-*  
20 *cifically precluded by the Government of the United States*  
21 *at the time such additional grant assistance, services, or*  
22 *programs are extended, the Federal Programs and Services*  
23 *Agreement shall apply to any such assistance, services or*  
24 *programs.*

25 *Section 223*

1       *The Government of the Republic of the Marshall Is-*  
2 *lands shall make available to the Government of the United*  
3 *States at no cost such land as may be necessary for the*  
4 *operations of the services and programs provided pursuant*  
5 *to this Article, and such facilities as are provided by the*  
6 *Government of the Republic of the Marshall Islands at no*  
7 *cost to the Government of the United States as of the effec-*  
8 *tive date of this Compact, as amended, or as may be mutu-*  
9 *ally agreed thereafter.*

10 *Section 224*

11       *The Government of the Republic of the Marshall Is-*  
12 *lands may request, from the time to time, technical assist-*  
13 *ance from the Federal agencies and institutions of the Gov-*  
14 *ernment of the United States, which are authorized to grant*  
15 *such technical assistance in accordance with its laws. If*  
16 *technical assistance is granted pursuant to such a request,*  
17 *the Government of the United States shall provide the tech-*  
18 *nical assistance in a manner which gives priority consider-*  
19 *ation to the Republic of the Marshall Islands over other re-*  
20 *cipients not a part of the United States, its territories or*  
21 *possessions, and equivalent consideration to the Republic of*  
22 *the Marshall Islands with respect to other states in Free*  
23 *Association with the United States. Such assistance shall*  
24 *be made available on a reimbursable or non-reimbursable*  
25 *basis to the extent provided by United States law.*

1 *Article III*2 *Administrative Provisions*3 *Section 231*

4 *The specific nature, extent and contractual arrange-*  
5 *ments of the services and programs provided for in section*  
6 *221 of this Compact, as amended, as well as the legal status*  
7 *of agencies of the Government of the United States, their*  
8 *civilian employees and contractors, and the dependents of*  
9 *such personnel while present in the Republic of the Marshall*  
10 *Islands, and other arrangements in connection with the as-*  
11 *sistance, services, or programs furnished by the Government*  
12 *of the United States, are set forth in a Federal Programs*  
13 *and Services Agreement which shall come into effect simul-*  
14 *taneously with this Compact, as amended.*

15 *Section 232*

16 *The Government of the United States, in consultation*  
17 *with the Government of the Republic of the Marshall Is-*  
18 *lands, shall determine and implement procedures for the*  
19 *periodic audit of all grants and other assistance made*  
20 *under Article I of this Title and of all funds expended for*  
21 *the services and programs provided under Article II of this*  
22 *Title. Further, in accordance with the Fiscal Procedures*  
23 *Agreement described in subsection (a) of section 211, the*  
24 *Comptroller General of the United States shall have such*  
25 *powers and authorities as described in sections 103(m) and*



1 110(c) of Public Law 99–239, 99 Stat. 1777–78, and 99  
 2 Stat. 1799 (January 14, 1986).

3 *Section 233*

4       *Approval of this Compact, as amended, by the Govern-*  
 5 *ment of the United States, in accordance with its constitu-*  
 6 *tional processes, shall constitute a pledge by the United*  
 7 *States that the sums and amounts specified as grants in*  
 8 *section 211 of this Compact, as amended, shall be appro-*  
 9 *priated and paid to the Republic of the Marshall Islands*  
 10 *for such period as those provisions of this Compact, as*  
 11 *amended, remain in force, provided that the Republic of*  
 12 *the Marshall Islands complies with the terms and condi-*  
 13 *tions of this Title and related subsidiary agreements.*

14 *Section 234*

15       *The Government of the Republic of the Marshall Is-*  
 16 *lands pledges to cooperate with, permit, and assist if rea-*  
 17 *sonably requested, designated and authorized representa-*  
 18 *tives of the Government of the United States charged with*  
 19 *investigating whether Compact funds, or any other assist-*  
 20 *ance authorized under this Compact, as amended, have, or*  
 21 *are being, used for purposes other than those set forth in*  
 22 *this Compact, as amended, or its subsidiary agreements. In*  
 23 *carrying out this investigative authority, such United*  
 24 *States Government representatives may request that the*  
 25 *Government of the Republic of the Marshall Islands sub-*

1 *poena documents and records and compel testimony in ac-*  
 2 *cordance with the laws and Constitution of the Republic*  
 3 *of the Marshall Islands. Such assistance by the Government*  
 4 *of the Republic of the Marshall Islands to the Government*  
 5 *of the United States shall not be unreasonably withheld. The*  
 6 *obligation of the Government of the Marshall Islands to ful-*  
 7 *fill its pledge herein is a condition to its receiving payment*  
 8 *of such funds or other assistance authorized under this Com-*  
 9 *pact, as amended. The Government of the United States*  
 10 *shall pay any reasonable costs for extraordinary services*  
 11 *executed by the Government of the Marshall Islands in car-*  
 12 *rying out the provisions of this section.*

#### 13 *Article IV*

#### 14 *Trade*

##### 15 *Section 241*

16 *The Republic of the Marshall Islands is not included*  
 17 *in the customs territory of the United States.*

##### 18 *Section 242*

19 *The President shall proclaim the following tariff treat-*  
 20 *ment for articles imported from the Republic of the Mar-*  
 21 *shall Islands which shall apply during the period of effec-*  
 22 *tiveness of this title:*

23 *(a) Unless otherwise excluded, articles imported*  
 24 *from the Republic of the Marshall Islands, subject to*  
 25 *the limitations imposed under section 503(b) of title*

1        *V of the Trade Act of 1974 (19 U.S.C. 2463(b)), shall*  
2        *be exempt from duty.*

3            *(b) Only tuna in airtight containers provided for*  
4        *in heading 1604.14.22 of the Harmonized Tariff*  
5        *Schedule of the United States that is imported from*  
6        *the Republic of the Marshall Islands and the Fed-*  
7        *erated States of Micronesia during any calendar year*  
8        *not to exceed 10 percent of apparent United States*  
9        *consumption of tuna in airtight containers during the*  
10       *immediately preceding calendar year, as reported by*  
11       *the National Marine Fisheries Service, shall be ex-*  
12       *empt from duty; but the quantity of tuna given duty-*  
13       *free treatment under this paragraph for any calendar*  
14       *year shall be counted against the aggregated quantity*  
15       *of tuna in airtight containers that is dutiable under*  
16       *rate column numbered 1 of such heading 1604.14.22*  
17       *for that calendar year.*

18            *(c) The duty-free treatment provided under sub-*  
19        *section (a) shall not apply to:*

20            *(1) watches, clocks, and timing apparatus*  
21        *provided for in Chapter 91, excluding heading*  
22        *9113, of the Harmonized Tariff Schedule of the*  
23        *United States;*

1           (2) buttons (whether finished or not fin-  
2           ished) provided for in items 9606.21.40 and  
3           9606.29.20 of such Schedule;

4           (3) textile and apparel articles which are  
5           subject to textile agreements; and

6           (4) footwear, handbags, luggage, flat goods,  
7           work gloves, and leather wearing apparel which  
8           were not eligible articles for purposes of title V  
9           of the Trade Act of 1974 (19 U.S.C. 2461, et  
10          seq.) on April 1, 1984.

11          (d) If the cost or value of materials produced in  
12          the customs territory of the United States is included  
13          with respect to an eligible article which is a product  
14          of the Republic of the Marshall Islands, an amount  
15          not to exceed 15 percent of the appraised value of the  
16          article at the time it is entered that is attributable to  
17          such United States cost or value may be applied for  
18          duty assessment purposes toward determining the per-  
19          centage referred to in section 503(a)(2) of title V of  
20          the Trade Act of 1974.

21   Section 243

22          Articles imported from the Republic of the Marshall  
23          Islands which are not exempt from duty under subsections  
24          (a), (b), (c), and (d) of section 242 shall be subject to the  
25          rates of duty set forth in column numbered 1-general of the

4       (a) *All products of the United States imported into*  
5 *the Republic of the Marshall Islands shall receive treatment*  
6 *no less favorable than that accorded like products of any*  
7 *foreign country with respect to customs duties or charges*  
8 *of a similar nature and with respect to laws and regula-*  
9 *tions relating to importation, exportation, taxation, sale,*  
10 *distribution, storage or use.*

(c) Prior to entering into consultations on, or concluding, a free trade agreement with governments not listed in Article 26 of PICTA, the Republic of the Marshall Islands shall consult with the United States regarding whether or how subsection (a) of section 244 shall be applied.

## Finance and Taxation

•HJ 63 RH

1       *The currency of the United States is the official circu-*  
2 *lating legal tender of the Republic of the Marshall Islands.*  
3 *Should the Government of the Republic of the Marshall Is-*  
4 *lands act to institute another currency, the terms of an ap-*  
5 *propriate currency transitional period shall be as agreed*  
6 *with the Government of the United States.*

7 *Section 252*

8       *The Government of the Republic of the Marshall Is-*  
9 *lands may, with respect to United States persons, tax in-*  
10 *come derived from sources within its respective jurisdiction,*  
11 *property situated therein, including transfers of such prop-*  
12 *erty by gift or at death, and products consumed therein,*  
13 *in such manner as the Government of the Republic of the*  
14 *Marshall Islands deems appropriate. The determination of*  
15 *the source of any income, or the situs of any property, shall*  
16 *for purposes of this Compact, as amended, be made accord-*  
17 *ing to the United States Internal Revenue Code.*

18 *Section 253*

19       *A citizen of the Republic of the Marshall Islands, domi-*  
20 *ciled therein, shall be exempt from estate, gift, and genera-*  
21 *tion-skipping transfer taxes imposed by the Government of*  
22 *the United States, provided that such citizen of the Republic*  
23 *of the Marshall Islands is neither a citizen nor a resident*  
24 *of the United States.*

25 *Section 254*

1       (a) *In determining any income tax imposed by the*  
2 *Government of the Republic of the Marshall Islands, the*  
3 *Government of the Republic of the Marshall Islands shall*  
4 *have authority to impose tax upon income derived by a resi-*  
5 *dent of the Republic of the Marshall Islands from sources*  
6 *without the Republic of the Marshall Islands, in the same*  
7 *manner and to the same extent as the Government of the*  
8 *Republic of the Marshall Islands imposes tax upon income*  
9 *derived from within its own jurisdiction. If the Government*  
10 *of the Republic of the Marshall Islands exercises such au-*  
11 *thority as provided in this subsection, any individual resi-*  
12 *dent of the Republic of the Marshall Islands who is subject*  
13 *to tax by the Government of the United States on income*  
14 *which is also taxed by the Government of the Republic of*  
15 *the Marshall Islands shall be relieved of liability to the Gov-*  
16 *ernment of the United States for the tax which, but for this*  
17 *subsection, would otherwise be imposed by the Government*  
18 *of the United States on such income. However, the relief*  
19 *from liability to the United States Government referred to*  
20 *in the preceding sentence means only relief in the form of*  
21 *the foreign tax credit (or deduction in lieu thereof) available*  
22 *with respect to the income taxes of a possession of the*  
23 *United States, and relief in the form of the exclusion under*  
24 *section 911 of the Internal Revenue Code of 1986. For pur-*  
25 *poses of this section, the term “resident of the Republic of*

1 *the Marshall Islands” shall be deemed to include any person*  
 2 *who was physically present in the Republic of the Marshall*  
 3 *Islands for a period of 183 or more days during any taxable*  
 4 *year.*

5 *(b) If the Government of the Republic of the Marshall*  
 6 *Islands subjects income to taxation substantially similar to*  
 7 *that which was imposed by the Trust Territory Code in ef-*  
 8 *fect on January 1, 1980, such Government shall be deemed*  
 9 *to have exercised the authority described in section 254(a).*  
 10 *Section 255*

11 *For purposes of section 274(h)(3)(A) of the U.S. Inter-*  
 12 *nal Revenue Code of 1986, the term “North American Area”*  
 13 *shall include the Republic of the Marshall Islands.*

### 14 *TITLE THREE*

### 15 *SECURITY AND DEFENSE RELATIONS*

#### 16 *Article I*

#### 17 *Authority and Responsibility*

#### 18 *Section 311*

19 *(a) The Government of the United States has full au-*  
 20 *thority and responsibility for security and defense matters*  
 21 *in or relating to the Republic of the Marshall Islands.*

22 *(b) This authority and responsibility includes:*

23 *(1) the obligation to defend the Republic of the*  
 24 *Marshall Islands and its people from attack or threats*



1       *thereof as the United States and its citizens are de-*  
2       *fended;*

3           *(2) the option to foreclose access to or use of the*  
4       *Republic of the Marshall Islands by military per-*  
5       *sonnel or for the military purposes of any third coun-*  
6       *try; and*

7           *(3) the option to establish and use military areas*  
8       *and facilities in the Republic of the Marshall Islands,*  
9       *subject to the terms of the separate agreements re-*  
10       *ferred to in sections 321 and 323.*

11       *(c) The Government of the United States confirms that*  
12       *it shall act in accordance with the principles of inter-*  
13       *national law and the Charter of the United Nations in the*  
14       *exercise of this authority and responsibility.*

15       *Section 312*

16       *Subject to the terms of any agreements negotiated in*  
17       *accordance with sections 321 and 323, the Government of*  
18       *the United States may conduct within the lands, waters and*  
19       *airspace of the Republic of the Marshall Islands the activi-*  
20       *ties and operations necessary for the exercise of its author-*  
21       *ity and responsibility under this Title.*

22       *Section 313*

23       *(a) The Government of the Republic of the Marshall*  
24       *Islands shall refrain from actions that the Government of*  
25       *the United States determines, after appropriate consulta-*

1 *tion with that Government, to be incompatible with its au-*  
 2 *thority and responsibility for security and defense matters*  
 3 *in or relating to the Republic of the Marshall Islands.*

4 *(b) The consultations referred to in this section shall*  
 5 *be conducted expeditiously at senior levels of the two Gov-*  
 6 *ernments, and the subsequent determination by the Govern-*  
 7 *ment of the United States referred to in this section shall*  
 8 *be made only at senior interagency levels of the Government*  
 9 *of the United States.*

10 *(c) The Government of the Republic of the Marshall*  
 11 *Islands shall be afforded, on an expeditious basis, an oppor-*  
 12 *tunity to raise its concerns with the United States Sec-*  
 13 *retary of State personally and the United States Secretary*  
 14 *of Defense personally regarding any determination made*  
 15 *in accordance with this section.*

16 *Section 314*

17 *(a) Unless otherwise agreed, the Government of the*  
 18 *United States shall not, in the Republic of the Marshall Is-*  
 19 *lands:*

20 *(1) test by detonation or dispose of any nuclear*  
 21 *weapon, nor test, dispose of, or discharge any toxic*  
 22 *chemical or biological weapon; or*

23 *(2) test, dispose of, or discharge any other radio-*  
 24 *active, toxic chemical or biological materials in an*

1        *amount or manner that would be hazardous to public*  
2        *health or safety.*

3        *(b) Unless otherwise agreed, other than for transit or*  
4        *overflight purposes or during time of a national emergency*  
5        *declared by the President of the United States, a state of*  
6        *war declared by the Congress of the United States or as*  
7        *necessary to defend against an actual or impending armed*  
8        *attack on the United States, the Republic of the Marshall*  
9        *Islands or the Federated States of Micronesia, the Govern-*  
10       *ment of the United States shall not store in the Republic*  
11       *of the Marshall Islands or the Federated States of Micro-*  
12       *nesia any toxic chemical weapon, nor any radioactive ma-*  
13       *terials nor any toxic chemical materials intended for weap-*  
14       *ons use.*

15       *(c) Radioactive, toxic chemical, or biological materials*  
16       *not intended for weapons use shall not be affected by section*  
17       *314(b).*

18       *(d) No material or substance referred to in this section*  
19       *shall be stored in the Republic of the Marshall Islands ex-*  
20       *cept in an amount and manner which would not be haz-*  
21       *ardous to public health or safety. In determining what shall*  
22       *be an amount or manner which would be hazardous to pub-*  
23       *lic health or safety under this section, the Government of*  
24       *the United States shall comply with any applicable mutual*  
25       *agreement, international guidelines accepted by the Govern-*

1 *ment of the United States, and the laws of the United States*  
2 *and their implementing regulations.*

3 *(e) Any exercise of the exemption authority set forth*  
4 *in section 161(e) shall have no effect on the obligations of*  
5 *the Government of the United States under this section or*  
6 *on the application of this subsection.*

7 *(f) The provisions of this section shall apply in the*  
8 *areas in which the Government of the Republic of the Mar-*  
9 *shall Islands exercises jurisdiction over the living resources*  
10 *of the seabed, subsoil or water column adjacent to its coasts.*

11 *Section 315*

12 *The Government of the United States may invite mem-*  
13 *bers of the armed forces of other countries to use military*  
14 *areas and facilities in the Republic of the Marshall Islands,*  
15 *in conjunction with and under the control of United States*  
16 *Armed Forces. Use by units of the armed forces of other*  
17 *countries of such military areas and facilities, other than*  
18 *for transit and overflight purposes, shall be subject to con-*  
19 *sultation with and, in the case of major units, approval*  
20 *of the Government of the Republic of the Marshall Islands.*

21 *Section 316*

22 *The authority and responsibility of the Government of*  
23 *the United States under this Title may not be transferred*  
24 *or otherwise assigned.*

1 *Article II*2 *Defense Facilities and Operating Rights*3 *Section 321*

4 (a) *Specific arrangements for the establishment and*  
5 *use by the Government of the United States of military*  
6 *areas and facilities in the Republic of the Marshall Islands*  
7 *are set forth in separate agreements, which shall remain*  
8 *in effect in accordance with the terms of such agreements.*

9 (b) *If, in the exercise of its authority and responsibility*  
10 *under this Title, the Government of the United States re-*  
11 *quires the use of areas within the Republic of the Marshall*  
12 *Islands in addition to those for which specific arrangements*  
13 *are concluded pursuant to section 321(a), it may request*  
14 *the Government of the Republic of the Marshall Islands to*  
15 *satisfy those requirements through leases or other arrange-*  
16 *ments. The Government of the Republic of the Marshall Is-*  
17 *lands shall sympathetically consider any such request and*  
18 *shall establish suitable procedures to discuss it with and*  
19 *provide a prompt response to the Government of the United*  
20 *States.*

21 (c) *The Government of the United States recognizes*  
22 *and respects the scarcity and special importance of land*  
23 *in the Republic of the Marshall Islands. In making any*  
24 *requests pursuant to section 321(b), the Government of the*  
25 *United States shall follow the policy of requesting the min-*

1 *imum area necessary to accomplish the required security*  
 2 *and defense purpose, of requesting only the minimum inter-*  
 3 *est in real property necessary to support such purpose, and*  
 4 *of requesting first to satisfy its requirement through public*  
 5 *real property, where available, rather than through private*  
 6 *real property.*

7 *Section 322*

8 *The Government of the United States shall provide and*  
 9 *maintain fixed and floating aids to navigation in the Re-*  
 10 *public of the Marshall Islands at least to the extent nec-*  
 11 *essary for the exercise of its authority and responsibility*  
 12 *under this Title.*

13 *Section 323*

14 *The military operating rights of the Government of the*  
 15 *United States and the legal status and contractual arrange-*  
 16 *ments of the United States Armed Forces, their members,*  
 17 *and associated civilians, while present in the Republic of*  
 18 *the Marshall Islands are set forth in separate agreements,*  
 19 *which shall remain in effect in accordance with the terms*  
 20 *of such agreements.*

21 *Article III*

22 *Defense Treaties and International Security Agreements*

23 *Section 331*

24 *Subject to the terms of this Compact, as amended, and*  
 25 *its related agreements, the Government of the United States,*

9           (b) *Any defense treaty or other international se-*  
10 *curity agreement to which the Government of the*  
11 *United States is or may become a party which it de-*  
12 *termines to be applicable in the Republic of the Mar-*  
13 *shall Islands. Such a determination by the Govern-*  
14 *ment of the United States shall be preceded by appro-*  
15 *priate consultation with the Government of the Re-*  
16 *public of the Marshall Islands.*

18      *Service in Armed Forces of the United States*

20        *Any person entitled to the privileges set forth in Sec-*  
21   *tion 141 (with the exception of any person described in sec-*  
22   *tion 141(a)(5) who is not a citizen of the Republic of the*  
23   *Marshall Islands) shall be eligible to volunteer for service*  
24   *in the Armed Forces of the United States, but shall not be*  
25   *subject to involuntary induction into military service of the*

1 *United States as long as such person has resided in the*  
 2 *United States for a period of less than one year, provided*  
 3 *that no time shall count towards this one year while a per-*  
 4 *son admitted to the United States under the Compact, or*  
 5 *the Compact, as amended, is engaged in full-time study in*  
 6 *the United States. Any person described in section*  
 7 *141(a)(5) who is not a citizen of the Republic of the Mar-*  
 8 *shall Islands shall be subject to United States laws relating*  
 9 *to selective service.*

10 *Section 342*

11 *The Government of the United States shall have en-*  
 12 *rolled, at any one time, at least one qualified student from*  
 13 *the Republic of the Marshall Islands, as may be nominated*  
 14 *by the Government of the Republic of the Marshall Islands,*  
 15 *in each of:*

16 *(a) The United States Coast Guard Academy*  
 17 *pursuant to 14 U.S.C. 195.*

18 *(b) The United States Merchant Marine Acad-*  
 19 *emy pursuant to 46 U.S.C. 1295(b)(6), provided that*  
 20 *the provisions of 46 U.S.C. 1295b(b)(6)(C) shall not*  
 21 *apply to the enrollment of students pursuant to sec-*  
 22 *tion 342(b) of this Compact, as amended.*

23 *Article V*

24 *General Provisions*

25 *Section 351*



1       (a) *The Government of the United States and the Gov-*  
2 *ernment of the Republic of the Marshall Islands shall con-*  
3 *tinue to maintain a Joint Committee empowered to con-*  
4 *sider disputes arising under the implementation of this*  
5 *Title and its related agreements.*

6       (b) *The membership of the Joint Committee shall com-*  
7 *prise selected senior officials of the two Governments. The*  
8 *senior United States military commander in the Pacific*  
9 *area shall be the senior United States member of the Joint*  
10 *Committee. For the meetings of the Joint Committee, each*  
11 *of the two Governments may designate additional or alter-*  
12 *nate representatives as appropriate for the subject matter*  
13 *under consideration.*

14       (c) *Unless otherwise mutually agreed, the Joint Com-*  
15 *mittee shall meet annually at a time and place to be des-*  
16 *ignated, after appropriate consultation, by the Government*  
17 *of the United States. The Joint Committee also shall meet*  
18 *promptly upon request of either of its members. The Joint*  
19 *Committee shall follow such procedures, including the estab-*  
20 *lishment of functional subcommittees, as the members may*  
21 *from time to time agree. Upon notification by the Govern-*  
22 *ment of the United States, the Joint Committee of the*  
23 *United States and the Republic of the Marshall Islands*  
24 *shall meet promptly in a combined session with the Joint*  
25 *Committee established and maintained by the Government*

1 *of the United States and the Government of the Federated*  
2 *States of Micronesia to consider matters within the jurisdic-*  
3 *tion of the two Joint Committees.*

4       *(d) Unresolved issues in the Joint Committee shall be*  
5 *referred to the Governments for resolution, and the Govern-*  
6 *ment of the Republic of the Marshall Islands shall be af-*  
7 *forded, on an expeditious basis, an opportunity to raise its*  
8 *concerns with the United States Secretary of Defense per-*  
9 *sonally regarding any unresolved issue which threatens its*  
10 *continued association with the Government of the United*  
11 *States.*

12 *Section 352*

13       *In the exercise of its authority and responsibility*  
14 *under Title Three, the Government of the United States*  
15 *shall accord due respect to the authority and responsibility*  
16 *of the Government of the Republic of the Marshall Islands*  
17 *under Titles One, Two and Four and to the responsibility*  
18 *of the Government of the Republic of the Marshall Islands*  
19 *to assure the well-being of its people.*

20 *Section 353*

21       *(a) The Government of the United States shall not in-*  
22 *clude the Government of the Republic of the Marshall Is-*  
23 *lands as a named party to a formal declaration of war,*  
24 *without that Government's consent.*

1       (b) *Absent such consent, this Compact, as amended, is*  
 2 *without prejudice, on the ground of belligerence or the exist-*  
 3 *ence of a state of war, to any claims for damages which*  
 4 *are advanced by the citizens, nationals or Government of*  
 5 *the Republic of the Marshall Islands, which arise out of*  
 6 *armed conflict subsequent to October 21, 1986, and which*  
 7 *are:*

8               (5) *petitions to the Government of the United*  
 9 *States for redress; or*

10              (6) *claims in any manner against the govern-*  
 11 *ment, citizens, nationals or entities of any third*  
 12 *country.*

13       (c) *Petitions under section 353(b)(1) shall be treated*  
 14 *as if they were made by citizens of the United States.*

15 *Section 354*

16       (a) *The Government of the United States and the Gov-*  
 17 *ernment of the Republic of the Marshall Islands are jointly*  
 18 *committed to continue their security and defense relations,*  
 19 *as set forth in this Title. Accordingly, it is the intention*  
 20 *of the two countries that the provisions of this Title shall*  
 21 *remain binding as long as this Compact, as amended, re-*  
 22 *mains in effect, and thereafter as mutually agreed, unless*  
 23 *earlier terminated by mutual agreement pursuant to section*  
 24 *441, or amended pursuant to Article III of Title Four. If*  
 25 *at any time the Government of the United States, or the*

1 *Government of the Republic of the Marshall Islands, acting*  
2 *unilaterally, terminates this Title, such unilateral termi-*  
3 *nation shall be considered to be termination of the entire*  
4 *Compact, as amended, in which case the provisions of sec-*  
5 *tion 442 and 452 (in the case of termination by the Govern-*  
6 *ment of the United States) or sections 443 and 453 (in the*  
7 *case of termination by the Government of the Republic of*  
8 *the Marshall Islands), with the exception of paragraph (3)*  
9 *of subsection (a) of section 452 or paragraph (3) of sub-*  
10 *section (a) of section 453, as the case may be, shall apply.*

11       *(b) The Government of the United States recognizes,*  
12 *in view of the special relationship between the Government*  
13 *of the United States and the Government of the Republic*  
14 *of the Marshall Islands, and in view of the existence of the*  
15 *separate agreement regarding mutual security concluded*  
16 *with the Government of the Republic of the Marshall Islands*  
17 *pursuant to sections 321 and 323, that, even if this Title*  
18 *should terminate, any attack on the Republic of the Mar-*  
19 *shall Islands during the period in which such separate*  
20 *agreement is in effect, would constitute a threat to the peace*  
21 *and security of the entire region and a danger to the United*  
22 *States. In the event of such an attack, the Government of*  
23 *the United States would take action to meet the danger to*  
24 *the United States and to the Republic of the Marshall Is-*  
25 *lands in accordance with its constitutional processes.*

1       (c) As reflected in Article 21(1)(b) of the Trust Fund  
 2 Agreement, the Government of the United States and the  
 3 Government of the Republic of the Marshall Islands further  
 4 recognize, in view of the special relationship between their  
 5 countries, that even if this Title should terminate, the Gov-  
 6 ernment of Republic of the Marshall Islands shall refrain  
 7 from actions which the Government of the United States  
 8 determines, after appropriate consultation with that Gov-  
 9 ernment, to be incompatible with its authority and respon-  
 10 sibility for security and defense matters in or relating to  
 11 the Republic of the Marshall Islands or the Federated States  
 12 of Micronesia.

#### 13                                   *TITLE FOUR*

#### 14                                   *GENERAL PROVISIONS*

#### 15                                   *Article I*

#### 16                                   *Approval and Effective Date*

#### 17       *Section 411*

18       Pursuant to section 432 of the Compact and subject  
 19 to subsection (e) of section 461 of the Compact, as amended,  
 20 the Compact, as amended, shall come into effect upon mu-  
 21 tual agreement between the Government of the United  
 22 States and the Government of the Republic of the Marshall  
 23 Islands subsequent to completion of the following:

1           (a) *Approval by the Government of the Republic*  
2           *of the Marshall Islands in accordance with its con-*  
3           *stitutional processes.*

4           (b) *Approval by the Government of the United*  
5           *States in accordance with its constitutional processes.*

6                               *Article II*

7                               *Conference and Dispute Resolution*

8           *Section 421*

9           *The Government of the United States shall confer*  
10          *promptly at the request of the Government of the Republic*  
11          *of the Marshall Islands and that Government shall confer*  
12          *promptly at the request of the Government of the United*  
13          *States on matters relating to the provisions of this Compact,*  
14          *as amended, or of its related agreements.*

15          *Section 422*

16          *In the event the Government of the United States or*  
17          *the Government of the Republic of the Marshall Islands,*  
18          *after conferring pursuant to section 421, determines that*  
19          *there is a dispute and gives written notice thereof, the two*  
20          *Governments shall make a good faith effort to resolve the*  
21          *dispute between themselves.*

22          *Section 423*

23          *If a dispute between the Government of the United*  
24          *States and the Government of the Republic of the Marshall*  
25          *Islands cannot be resolved within 90 days of written notifi-*

1 cation in the manner provided in section 422, either party  
 2 to the dispute may refer it to arbitration in accordance with  
 3 section 424.

4 *Section 424*

5       *Should a dispute be referred to arbitration as provided*  
 6 *for in section 423, an Arbitration Board shall be established*  
 7 *for the purpose of hearing the dispute and rendering a deci-*  
 8 *sion which shall be binding upon the two parties to the dis-*  
 9 *pute unless the two parties mutually agree that the decision*  
 10 *shall be advisory. Arbitration shall occur according to the*  
 11 *following terms:*

12           *(a) An Arbitration Board shall consist of a*  
 13 *Chairman and two other members, each of whom*  
 14 *shall be a citizen of a party to the dispute. Each of*  
 15 *the two Governments that is a party to the dispute*  
 16 *shall appoint one member to the Arbitration Board.*  
 17 *If either party to the dispute does not fulfill the ap-*  
 18 *pointment requirements of this section within 30 days*  
 19 *of referral of the dispute to arbitration pursuant to*  
 20 *section 423, its member on the Arbitration Board*  
 21 *shall be selected from its own standing list by the*  
 22 *other party to the dispute. Each Government shall*  
 23 *maintain a standing list of 10 candidates. The par-*  
 24 *ties to the dispute shall jointly appoint a Chairman*  
 25 *within 15 days after selection of the other members of*

1       *the Arbitration Board. Failing agreement on a Chair-*  
2       *man, the Chairman shall be chosen by lot from the*  
3       *standing lists of the parties to the dispute within 5*  
4       *days after such failure.*

5           *(b) Unless otherwise provided in this Compact,*  
6       *as amended, or its related agreements, the Arbitration*  
7       *Board shall have jurisdiction to hear and render its*  
8       *final determination on all disputes arising exclusively*  
9       *under Articles I, II, III, IV and V of Title One, Title*  
10       *Two, Title Four, and their related agreements.*

11           *(c) Each member of the Arbitration Board shall*  
12       *have one vote. Each decision of the Arbitration Board*  
13       *shall be reached by majority vote.*

14           *(d) In determining any legal issue, the Arbitra-*  
15       *tion Board may have reference to international law*  
16       *and, in such reference, shall apply as guidelines the*  
17       *provisions set forth in Article 38 of the Statute of the*  
18       *International Court of Justice.*

19           *(e) The Arbitration Board shall adopt such rules*  
20       *for its proceedings as it may deem appropriate and*  
21       *necessary, but such rules shall not contravene the pro-*  
22       *visions of this Compact, as amended. Unless the par-*  
23       *ties provide otherwise by mutual agreement, the Arbi-*  
24       *tration Board shall endeavor to render its decision*  
25       *within 30 days after the conclusion of arguments. The*



1       *Arbitration Board shall make findings of fact and*  
2       *conclusions of law and its members may issue dis-*  
3       *senting or individual opinions. Except as may be oth-*  
4       *erwise decided by the Arbitration Board, one-half of*  
5       *all costs of the arbitration shall be borne by the Gov-*  
6       *ernment of the United States and the remainder shall*  
7       *be borne by the Government of the Republic of the*  
8       *Marshall Islands.*

9                               *Article III*

10                           *Amendment*

11       *Section 431*

12       *The provisions of this Compact, as amended, may be*  
13       *further amended by mutual agreement of the Government*  
14       *of the United States and the Government of the Republic*  
15       *of the Marshall Islands, in accordance with their respective*  
16       *constitutional processes.*

17                           *Article IV*

18                           *Termination*

19       *Section 441*

20       *This Compact, as amended, may be terminated by mu-*  
21       *tual agreement of the Government of the Republic of the*  
22       *Marshall Islands and the Government of the United States,*  
23       *in accordance with their respective constitutional processes.*  
24       *Such mutual termination of this Compact, as amended,*  
25       *shall be without prejudice to the continued application of*

1 *section 451 of this Compact, as amended, and the provisions*  
2 *of the Compact, as amended, set forth therein.*

3 *Section 442*

4 *Subject to section 452, this Compact, as amended, may*  
5 *be terminated by the Government of the United States in*  
6 *accordance with its constitutional processes. Such termi-*  
7 *nation shall be effective on the date specified in the notice*  
8 *of termination by the Government of the United States but*  
9 *not earlier than six months following delivery of such no-*  
10 *tice. The time specified in the notice of termination may*  
11 *be extended. Such termination of this Compact, as amended,*  
12 *shall be without prejudice to the continued application of*  
13 *section 452 of this Compact, as amended, and the provisions*  
14 *of the Compact, as amended, set forth therein.*

15 *Section 443*

16 *This Compact, as amended, shall be terminated by the*  
17 *Government of the Republic of the Marshall Islands, pursu-*  
18 *ant to its constitutional processes, subject to section 453 if*  
19 *the people represented by that Government vote in a plebi-*  
20 *scite to terminate the Compact. The Government of the Re-*  
21 *public of the Marshall Islands shall notify the Government*  
22 *of the United States of its intention to call such a plebiscite,*  
23 *which shall take place not earlier than three months after*  
24 *delivery of such notice. The plebiscite shall be administered*  
25 *by the Government of the Republic of the Marshall Islands*

1 *in accordance with its constitutional and legislative proc-*  
 2 *esses, but the Government of the United States may send*  
 3 *its own observers and invite observers from a mutually*  
 4 *agreed party. If a majority of the valid ballots cast in the*  
 5 *plebiscite favors termination, the Government of the Repub-*  
 6 *lic of the Marshall Islands shall, upon certification of the*  
 7 *results of the plebiscite, give notice of termination to the*  
 8 *Government of the United States, such termination to be*  
 9 *effective on the date specified in such notice but not earlier*  
 10 *than three months following the date of delivery of such no-*  
 11 *tice. The time specified in the notice of termination may*  
 12 *be extended.*

### 13 *Article V*

### 14 *Survivability*

#### 15 *Section 451*

16 *(a) Should termination occur pursuant to section 441,*  
 17 *economic and other assistance by the Government of the*  
 18 *United States shall continue only if and as mutually agreed*  
 19 *by the Governments of the United States and the Republic*  
 20 *of the Marshall Islands, and in accordance with the coun-*  
 21 *tries' respective constitutional processes.*

22 *(b) In view of the special relationship of the United*  
 23 *States and the Republic of the Marshall Islands, as reflected*  
 24 *in subsections (b) and (c) of section 354 of this Compact,*  
 25 *as amended, and the separate agreement entered into con-*

1 *sistent with those subsections, if termination occurs pursu-*  
 2 *ant to section 441 prior to the twentieth anniversary of the*  
 3 *effective date of this Compact, as amended, the United*  
 4 *States shall continue to make contributions to the Trust*  
 5 *Fund described in section 216 of this Compact, as amended.*

6 *(c) In view of the special relationship of the United*  
 7 *States and the Republic of the Marshall Islands described*  
 8 *in subsection (b) of this section, if termination occurs pur-*  
 9 *suant to section 441 following the twentieth anniversary of*  
 10 *the effective date of this Compact, as amended, the Republic*  
 11 *of the Marshall Islands shall be entitled to receive proceeds*  
 12 *from the Trust Fund described in section 216 of this Com-*  
 13 *pact, as amended, in the manner described in those provi-*  
 14 *sions and the Trust Fund Agreement.*

15 *Section 452*

16 *(a) Should termination occur pursuant to section 442*  
 17 *prior to the twentieth anniversary of the effective date of*  
 18 *this Compact, as amended, the following provisions of this*  
 19 *amended Compact shall remain in full force and effect until*  
 20 *the twentieth anniversary of the effective date of this Com-*  
 21 *pact, as amended, and thereafter as mutually agreed:*

22 *(1) Article VI and sections 172, 173, 176 and*  
 23 *177 of Title One;*

24 *(2) Article One and sections 232 and 234 of Title*  
 25 *Two;*

1           (3) *Title Three; and*

2           (4) *Articles II, III, V and VI of Title Four.*

3           (b) *Should termination occur pursuant to section 442*  
4 *before the twentieth anniversary of the effective date of this*  
5 *Compact, as amended:*

6           (1) *Except as provided in paragraph (2) of this*  
7 *subsection and subsection (c) of this section, economic*  
8 *and other assistance by the United States shall con-*  
9 *tinue only if and as mutually agreed by the Govern-*  
10 *ments of the United States and the Republic of the*  
11 *Marshall Islands.*

12          (2) *In view of the special relationship of the*  
13 *United States and the Republic of the Marshall Is-*  
14 *lands, as reflected in subsections (b) and (c) of section*  
15 *354 of this Compact, as amended, and the separate*  
16 *agreement regarding mutual security, and the Trust*  
17 *Fund Agreement, the United States shall continue to*  
18 *make contributions to the Trust Fund described in*  
19 *section 216 of this Compact, as amended, in the man-*  
20 *ner described in the Trust Fund Agreement.*

21          (c) *In view of the special relationship of the United*  
22 *States and the Republic of the Marshall Islands, as reflected*  
23 *in subsections 354(b) and (c) of this Compact, as amended,*  
24 *and the separate agreement regarding mutual security, and*  
25 *the Trust Fund Agreement, if termination occurs pursuant*

1 *to section 442 following the twentieth anniversary of the*  
 2 *effective date of this Compact, as amended, the Republic of*  
 3 *the Marshall Islands shall continue to be eligible to receive*  
 4 *proceeds from the Trust Fund described in section 216 of*  
 5 *this Compact, as amended, in the manner described in those*  
 6 *provisions and the Trust Fund Agreement.*

7 *Section 453*

8 *(a) Should termination occur pursuant to section 443*  
 9 *prior to the twentieth anniversary of the effective date of*  
 10 *this Compact, as amended, the following provisions of this*  
 11 *Compact, as amended, shall remain in full force and effect*  
 12 *until the twentieth anniversary of the effective date of this*  
 13 *Compact, as amended, and thereafter as mutually agreed:*

14 *(1) Article VI and sections 172, 173, 176 and*  
 15 *177 of Title One;*

16 *(2) Sections 232 and 234 of Title Two;*

17 *(3) Title Three; and*

18 *(4) Articles II, III, V and VI of Title Four.*

19 *(b) Upon receipt of notice of termination pursuant to*  
 20 *section 443, the Government of the United States and the*  
 21 *Government of the Republic of the Marshall Islands shall*  
 22 *promptly consult with regard to their future relationship.*  
 23 *Except as provided in subsections (c) and (d) of this section,*  
 24 *these consultations shall determine the level of economic and*  
 25 *other assistance, if any, which the Government of the*

1 *United States shall provide to the Government of the Repub-*  
2 *lic of the Marshall Islands for the period ending on the*  
3 *twentieth anniversary of the effective date of this Compact,*  
4 *as amended, and for any period thereafter, if mutually*  
5 *agreed.*

6       (c) *In view of the special relationship of the United*  
7 *States and the Republic of the Marshall Islands, as reflected*  
8 *in subsections 354(b) and (c) of this Compact, as amended,*  
9 *and the separate agreement regarding mutual security, and*  
10 *the Trust Fund Agreement, if termination occurs pursuant*  
11 *to section 443 prior to the twentieth anniversary of the effec-*  
12 *tive date of this Compact, as amended, the United States*  
13 *shall continue to make contributions to the Trust Fund de-*  
14 *scribed in section 216 of this Compact, as amended.*

15       (d) *In view of the special relationship of the United*  
16 *States and the Republic of the Marshall Islands, as reflected*  
17 *in subsections 354(b) and (c) of this Compact, as amended,*  
18 *and the separate agreement regarding mutual security, and*  
19 *the Trust Fund Agreement, if termination occurs pursuant*  
20 *to section 443 following the twentieth anniversary of the*  
21 *effective date of this Compact, as amended, the Republic of*  
22 *the Marshall Islands shall continue to be eligible to receive*  
23 *proceeds from the Trust Fund described in section 216 of*  
24 *this Compact, as amended, in the manner described in those*  
25 *provisions and the Trust Fund Agreement.*

1 *Section 454*

2 *Notwithstanding any other provision of this Compact,*  
 3 *as amended:*

4 *(a) The Government of the United States reaff-*  
 5 *irms its continuing interest in promoting the eco-*  
 6 *nomie advancement and budgetary self-reliance of the*  
 7 *people of the Republic of the Marshall Islands.*

8 *(b) The separate agreements referred to in Article*  
 9 *II of Title Three shall remain in effect in accordance*  
 10 *with their terms.*

11 *Article VI*

12 *Definition of Terms*

13 *Section 461*

14 *For the purpose of this Compact, as amended, only,*  
 15 *and without prejudice to the views of the Government of*  
 16 *the United States or the Government of the Republic of the*  
 17 *Marshall Islands as to the nature and extent of the jurisdic-*  
 18 *tion of either of them under international law, the following*  
 19 *terms shall have the following meanings:*

20 *(a) "Trust Territory of the Pacific Islands"*  
 21 *means the area established in the Trusteeship Agree-*  
 22 *ment consisting of the former administrative districts*  
 23 *of Kosrae, Yap, Ponape, the Marshall Islands and*  
 24 *Truk as described in Title One, Trust Territory Code,*  
 25 *section 1, in force on January 1, 1979. This term*



1       *does not include the area of Palau or the Northern*  
2       *Mariana Islands.*

3               *(b) “Trusteeship Agreement” means the agree-*  
4       *ment setting forth the terms of trusteeship for the*  
5       *Trust Territory of the Pacific Islands, approved by*  
6       *the Security Council of the United Nations April 2,*  
7       *1947, and by the United States July 18, 1947, en-*  
8       *tered into force July 18, 1947, 61 Stat. 3301, T.I.A.S.*  
9       *1665, 8 U.N.T.S. 189.*

10              *(c) “The Republic of the Marshall Islands” and*  
11       *“the Federated States of Micronesia” are used in a*  
12       *geographic sense and include the land and water*  
13       *areas to the outer limits of the territorial sea and the*  
14       *air space above such areas as now or hereafter recog-*  
15       *nized by the Government of the United States.*

16              *(d) “Compact” means the Compact of Free Asso-*  
17       *ciation Between the United States and the Federated*  
18       *States of Micronesia and the Marshall Islands, that*  
19       *was approved by the United States Congress in sec-*  
20       *tion 201 of Public Law 99–239 (Jan. 14, 1986) and*  
21       *went into effect with respect to the Republic of the*  
22       *Marshall Islands on October 21, 1986.*

23              *(e) “Compact, as amended” means the Compact*  
24       *of Free Association Between the United States and*  
25       *the Republic of the Marshall Islands, as amended. The*

1 *effective date of the Compact, as amended, shall be on*  
2 *a date to be determined by the President of the United*  
3 *States, and agreed to by the Government of the Re-*  
4 *public of the Marshall Islands, following formal ap-*  
5 *proval of the Compact, as amended, in accordance*  
6 *with section 411 of this Compact, as amended.*

7 (f) *“Government of the Republic of the Marshall*  
8 *Islands” means the Government established and orga-*  
9 *nized by the Constitution of the Republic of the Mar-*  
10 *shall Islands including all the political subdivisions*  
11 *and entities comprising that Government.*

12 (g) *“Government of the Federated States of Mi-*  
13 *cronesia” means the Government established and or-*  
14 *ganized by the Constitution of the Federated States of*  
15 *Micronesia including all the political subdivisions*  
16 *and entities comprising that Government.*

17 (h) *The following terms shall be defined con-*  
18 *sistent with the 1978 Edition of the Radio Regula-*  
19 *tions of the International Telecommunications as fol-*  
20 *lows:*

21 (1) *“Radiocommunication” means tele-*  
22 *communication by means of radio waves.*

23 (2) *“Station” means one or more transmit-*  
24 *ters or receivers or a combination of transmitters*  
25 *and receivers, including the accessory equipment,*

1       *necessary at one location for carrying on a*  
2       *radiocommunication service, or the radio astron-*  
3       *omy service.*

4               (3) “*Broadcasting Service*” means a  
5       *radiocommunication service in which the trans-*  
6       *missions are intended for direct reception by the*  
7       *general public. This service may include sound*  
8       *transmissions, television transmissions or other*  
9       *types of transmission.*

10              (4) “*Broadcasting Station*” means a station  
11       *in the broadcasting service.*

12              (5) “*Assignment (of a radio frequency or*  
13       *radio frequency channel)*” means an authoriza-  
14       *tion given by an administration for a radio sta-*  
15       *tion to use a radio frequency or radio frequency*  
16       *channel under specified conditions.*

17              (6) “*Telecommunication*” means any trans-  
18       *mission, emission or reception of signs, signals,*  
19       *writings, images and sounds or intelligence of*  
20       *any nature by wire, radio, optical or other elec-*  
21       *tromagnetic systems.*

22              (i) “*Military Areas and Facilities*” means those  
23       *areas and facilities in the Republic of the Marshall*  
24       *Islands reserved or acquired by the Government of the*  
25       *Republic of the Marshall Islands for use by the Gov-*

1        *ernment of the United States, as set forth in the sepa-*  
 2        *rate agreements referred to in section 321.*

3            (j) “*Tariff Schedules of the United States*”  
 4        *means the Tariff Schedules of the United States as*  
 5        *amended from time to time and as promulgated pur-*  
 6        *suant to United States law and includes the Tariff*  
 7        *Schedules of the United States Annotated (TSUSA),*  
 8        *as amended.*

9            (k) “*Vienna Convention on Diplomatic Rela-*  
 10        *tions*” *means the Vienna Convention on Diplomatic*  
 11        *Relations, done April 18, 1961, 23 U.S.T. 3227,*  
 12        *T.I.A.S. 7502, 500 U.N.T.S. 95.*

13        *Section 462*

14        (a) *The Government of the United States and the Gov-*  
 15        *ernment of the Republic of the Marshall Islands previously*  
 16        *have concluded agreements, which shall remain in effect and*  
 17        *shall survive in accordance with their terms, as follows:*

18            (1) *Agreement Between the Government of the*  
 19        *United States and the Government of the Marshall Is-*  
 20        *lands for the Implementation of Section 177 of the*  
 21        *Compact of Free Association;*

22            (2) *Agreement Between the Government of the*  
 23        *United States and the Government of the Marshall Is-*  
 24        *lands by Persons Displaced as a Result of the United*

1       *States Nuclear Testing Program in the Marshall Is-*  
2       *lands;*

3               *(3) Agreement Between the Government of the*  
4       *United States and the Government of the Marshall Is-*  
5       *lands Regarding the Resettlement of Enjebi Island;*

6               *(4) Agreement Concluded Pursuant to Section*  
7       *234 of the Compact; and*

8               *(5) Agreement Between the Government of the*  
9       *United States and the Government of the Marshall Is-*  
10       *lands Regarding Mutual Security Concluded Pursu-*  
11       *ant to Sections 321 and 323 of the Compact of Free*  
12       *Association.*

13       *(b) The Government of the United States and the Gov-*  
14       *ernment of the Republic of the Marshall Islands shall con-*  
15       *clude prior to the date of submission of this Compact to*  
16       *the legislatures of the two countries, the following related*  
17       *agreements which shall come into effect on the effective date*  
18       *of this Compact, as amended, and shall survive in accord-*  
19       *ance with their terms, as follows:*

20               *(1) Federal Programs and Services Agreement*  
21       *Between the Government of the United States of*  
22       *America and the Government of the Republic of the*  
23       *Marshall Islands Concluded Pursuant to Article III of*  
24       *Title One, Article II of Title Two (including Section*

222), and Section 231 of the Compact of Free Association, as Amended, which include:

(i) *Postal Services and Related Programs;*

(ii) *Weather Services and Related Programs;*

(iii) *Civil Aviation Safety Service and Related Programs;*

(iv) *Civil Aviation Economic Services and Related Programs;*

(v) *United States Disaster Preparedness and Response Services and Related Programs;*  
and

(vi) *Telecommunications Services and Related Programs.*

(2) *Agreement Between the Government of the United States of America and the Government of the Republic of the Marshall Islands on Extradition, Mutual Assistance in Law Enforcement Matters and Penal Sanctions Concluded Pursuant to Section 175 (a) of the Compact of Free Association, as Amended;*

(3) *Agreement Between the Government of the United States of America and the Government of the Republic of the Marshall Islands on Labor Recruitment Concluded Pursuant to Section 175 (b) of the Compact of Free Association, as Amended;*

1           (4) *Agreement Concerning Procedures for the Im-*  
 2           *plementation of United States Economic Assistance*  
 3           *Provided in the Compact, as Amended, of Free Asso-*  
 4           *ciation Between the Government of the United States*  
 5           *of America and the Government of the Republic of the*  
 6           *Marshall Islands;*

7           (5) *Agreement Between the Government of the*  
 8           *United States of America and the Government of the*  
 9           *Republic of the Marshall Islands Implementing Sec-*  
 10          *tion 216 and Section 217 of the Compact, as Amend-*  
 11          *ed, Regarding a Trust Fund;*

12          (6) *Agreement Regarding the Military Use and*  
 13          *Operating Rights of the Government of the United*  
 14          *States in the Republic of the Marshall Islands Con-*  
 15          *cluded Pursuant to Sections 321 and 323 of the Com-*  
 16          *compact of Free Association, as Amended; and,*

17          (7) *Status of Forces Agreement Between the Gov-*  
 18          *ernment of the United States of America and the Gov-*  
 19          *ernment of the Republic of the Marshall Islands Con-*  
 20          *cluded Pursuant to Section 323 of the Compact of*  
 21          *Free Association, as Amended.*

22 *Section 463*

23          (a) *Except as set forth in subsection (b) of this section,*  
 24          *any reference in this Compact, as amended, to a provision*  
 25          *of the United States Code or the Statutes at Large of the*

1 *United States constitutes the incorporation of the language*  
2 *of such provision into this Compact, as amended, as such*  
3 *provision was in force on the effective date of this Compact,*  
4 *as amended.*

5       *(b) Any reference in Article IV and VI of Title One,*  
6 *and Sections 174, 175, 178 and 342 to a provision of the*  
7 *United States Code or the Statutes at Large of the United*  
8 *States or to the Privacy Act, the Freedom of Information*  
9 *Act, the Administrative Procedure Act or the Immigration*  
10 *and Nationality Act constitutes the incorporation of the*  
11 *language of such provision into this Compact, as amended,*  
12 *as such provision was in force on the effective date of this*  
13 *Compact, as amended, or as it may be amended thereafter*  
14 *on a non-discriminatory basis according to the constitu-*  
15 *tional processes of the United States.*

16                               *Article VII*

17                               *Concluding Provisions*

18       *Section 471*

19       *Both the Government of the United States and the Gov-*  
20 *ernment of the Republic of the Marshall Islands shall take*  
21 *all necessary steps, of a general or particular character, to*  
22 *ensure, no later than the entry into force date of this Com-*  
23 *pact, as amended, the conformity of its laws, regulations*  
24 *and administrative procedures with the provisions of this*



1 *Compact, as amended, or, in the case of subsection (d) of*  
 2 *section 141, as soon as reasonably possible thereafter.*

3 *Section 472*

4 *This Compact, as amended, may be accepted, by signa-*  
 5 *ture or otherwise, by the Government of the United States*  
 6 *and the Government of the Republic of the Marshall Islands.*

7 *IN WITNESS WHEREOF, the undersigned, duly au-*  
 8 *thorized, have signed this Compact of Free Association, as*  
 9 *amended, which shall enter into force upon the exchange*  
 10 *of diplomatic notes by which the Government of the United*  
 11 *States of America and the Government of the Republic of*  
 12 *the Marshall Islands inform each other about the fulfillment*  
 13 *of their respective requirements for entry into force.*

14 *DONE at Majuro, Republic of the Marshall Islands,*  
 15 *in duplicate, this thirtieth (30) day of April, 2003, each*  
 16 *text being equally authentic.*

17 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

18 **(a) SHORT TITLE.—This joint resolution, to-**  
 19 **gether with the Table of Contents in sub-**  
 20 **section (b) of this section, may be cited as the**  
 21 **“Compact of Free Association Amendments**  
 22 **Act of 2003”.**

1       **(b) TABLE OF CONTENTS.—The table of con-**  
 2 **tents for this joint resolution is as follows:**

**TITLE I—APPROVAL OF U.S.-FSM COMPACT AND U.S.-RMI  
 COMPACT; INTERPRETATION OF, AND UNITED STATES  
 POLICIES REGARDING, U.S.-FSM COMPACT AND U.S.-RMI  
 COMPACT; SUPPLEMENTAL PROVISIONS**

**Sec. 101. Approval of U.S.-FSM Compact of Free Association  
 and U.S.-RMI Compact of Free Association.**

- (a) Federated States of Micronesia.
- (b) Republic of the Marshall Islands.
- (c) References to the Compact, the U.S.-FSM Compact and  
 the U.S.-RMI Compact; References to Sub-  
 subsidiary Agreements or Separate Agreements.
- (d) Amendment, Change, or Termination in the U.S.-FSM  
 Compact and the U.S.-RMI Compact and Cer-  
 tain Agreements.
- (e) Subsidiary Agreement Deemed Bilateral.
- (f) Entry Into Force of Future Amendments to Subsidiary  
 Agreements.

**Sec. 102. Agreements With Federated States of Micronesia.**

- (a) Law Enforcement Assistance.
- (b) Agreement on Audits.

**Sec. 103. Agreements With and Other Provisions Related to the  
 Republic of the Marshall Islands.**

- (a) Law Enforcement Assistance.
- (b) EJIT.
- (c) Kwajalein.
- (d) Section 177 Agreement.
- (e) Nuclear Test Effects.
- (f) Espousal Provisions.
- (g) DOE Radiological Health Care Program; USDA Agricul-  
 tural and Food Programs.
- (h) Rongelap.
- (i) Four Atoll Health Care Program.
- (j) Enjebi Community Trust Fund.
- (k) Bikini Atoll Cleanup.
- (l) Agreement on Audits.

**Sec. 104. Interpretation of and United States Policy Regarding  
 U.S.-FSM Compact and U.S.-RMI Compact.**

- (a) Human Rights.
- (b) Immigration and Passport Security.
- (c) Nonalienation of Lands.
- (d) Nuclear Waste Disposal.
- (e) Impact of Compacts on Guam, the State of Hawaii, the  
 Commonwealth of the Northern Mariana Is-  
 lands, and American Samoa; Related Author-  
 ization and Continuing Appropriation.
- (f) Sense of Congress Concerning Funding of Public Infra-  
 structure.
- (g) Foreign Loans.
- (h) Reports and Reviews.
- (i) Construction of Section 141(F).

**Sec. 105. Supplemental Provisions.**

- (a) Domestic Program Requirements.
- (b) Relations With the Federated States of Micronesia and the Republic of the Marshall Islands.
- (c) Judicial Training.
- (d) Continuing Trust Territory Authorization.
- (e) Survivability; Actions Incompatible with United States Authority.
- (f) Noncompliance Sanctions.
- (g) Continuing Programs and Laws.
- (h) College of Micronesia.
- (i) Trust Territory Debts to U.S. Federal Agencies.
- (j) Technical Assistance.
- (k) Prior Service Benefits Program.
- (l) Indefinite Land Use Payments.
- (m) Communicable Disease Control Program.
- (n) User Fees.
- (o) Treatment of Judgments of Courts of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.
- (p) Inflation Adjustment.

**Sec. 106. Construction Contract Assistance.**

- (a) Assistance to U.S. Firms.
- (b) Authorization of Appropriations.

**Sec. 107. Prohibition.****Sec. 108. Compensatory Adjustments.**

- (a) Additional Programs and Services.
- (b) Further Amounts.

**Sec. 109. Authorization and Continuing Appropriation.****Sec. 110. Payment of Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau Employed by the Government of the United States in the Continental United States.****TITLE II—COMPACTS OF FREE ASSOCIATION WITH THE FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS****Sec. 201. Compacts of Free Association, as Amended Between the Government of the United States and the Government of the Federated States of Micronesia and Between the Government of the United States and the Government of the Republic of the Marshall Islands.**

- (a) Compact of Free Association as amended between the Government of the United States of America and the Government of the Federated States of Micronesia.

**Title One—Governmental Relations****Article I—Self-Government.****Article II—Foreign Affairs.****Article III—Communications.****Article IV—Immigration.**

**Article V—Representation.**  
**Article VI—Environmental Protection.**  
**Article VII—General Legal Provisions.**

**Title Two—Economic Relations**

**Article I—Grant Assistance.**  
**Article II—Services and Program Assistance.**  
**Article III—Administrative Provisions.**  
**Article IV—Trade.**  
**Article V—Finance and Taxation.**

**Title Three—Security and Defense Relations**

**Article I—Authority and Responsibility.**  
**Article II—Defense Facilities and Operating Rights.**  
**Article III—Defense Treaties and International Security**  
**Agreements.**  
**Article IV—Service in Armed Forces of the United States.**  
**Article V—General Provisions.**

**Title Four—General Provisions**

**Article I—Approval and Effective Date.**  
**Article II—Conference and Dispute Resolution.**  
**Article III—Amendment.**  
**Article IV—Termination.**  
**Article V—Survivability.**  
**Article VI—Definition of Terms.**  
**Article VII—Concluding Provisions.**  
**(b) Compact of Free Association as amended between the**  
**Government of the United States of America**  
**and the Government of the Republic of the**  
**Marshall Islands.**

**Title One—Governmental Relations**

**Article I—Self-Government.**  
**Article II—Foreign Affairs.**  
**Article III—Communications.**  
**Article IV—Immigration.**  
**Article V—Representation.**  
**Article VI—Environmental Protection.**  
**Article VII—General Legal Provisions.**

**Title Two—Economic Relations**

**Article I—Grant Assistance.**  
**Article II—Services and Program Assistance.**  
**Article III—Administrative Provisions.**  
**Article IV—Trade.**  
**Article V—Finance and Taxation.**

**Title Three—Security and Defense Relations**

**Article I—Authority and Responsibility.**  
**Article II—Defense Facilities and Operating Rights.**

Article III—Defense Treaties and International Security  
Agreements.

Article IV—Service in Armed Forces of the United States.

Article V—General Provisions.

**Title Four—General Provisions**

Article I—Approval and Effective Date.

Article II—Conference and Dispute Resolution.

Article III—Amendment.

Article IV—Termination.

Article V—Survivability.

Article VI—Definition of Terms.

Article VII—Concluding Provisions.

**1 TITLE I—APPROVAL OF U.S.-FSM  
2 COMPACT AND U.S.-RMI COM-  
3 PACT; INTERPRETATION OF,  
4 AND U.S. POLICIES REGARD-  
5 ING, U.S.-FSM COMPACT AND  
6 U.S.-RMI COMPACT; SUPPLE-  
7 MENTAL PROVISIONS**

**8 SEC. 101. APPROVAL OF U.S.-FSM COMPACT OF FREE ASSO-  
9 CIATION AND THE U.S.-RMI COMPACT OF  
10 FREE ASSOCIATION; REFERENCES TO SUB-  
11 SIDIARY AGREEMENTS OR SEPARATE AGREE-  
12 MENTS.**

**13 (a) FEDERATED STATES OF MICRONESIA.—  
14 The Compact of Free Association, as amended  
15 with respect to the Federated States of Micro-  
16 nesia and signed by the United States and the  
17 Government of the Federated States of Micro-  
18 nesia and set forth in Title II (section 201(a))  
19 of this joint resolution, is hereby approved,**

1 and Congress hereby consents to the sub-  
2 sidiary agreements and amended subsidiary  
3 agreements listed in section 462 of the U.S.-  
4 FSM Compact. Subject to the provisions of  
5 this joint resolution, the President is author-  
6 ized to agree, in accordance with section 411  
7 of the U.S.-FSM Compact, to an effective date  
8 for and thereafter to implement such U.S.-  
9 FSM Compact.

10 (b) REPUBLIC OF THE MARSHALL ISLANDS.—  
11 The Compact of Free Association, as amended  
12 with respect to the Republic of the Marshall  
13 Islands and signed by the United States and  
14 the Government of the Republic of the Mar-  
15 shall Islands and set forth in Title II (section  
16 201(b)) of this joint resolution, is hereby ap-  
17 proved, and Congress hereby consents to the  
18 subsidiary agreements and amended sub-  
19 sidiary agreements listed in section 462 of the  
20 U.S.-RMI Compact. Subject to the provisions  
21 of this joint resolution, the President is au-  
22 thorized to agree, in accordance with section  
23 411 of the U.S.-RMI Compact, to an effective  
24 date for and thereafter to implement such  
25 U.S.-RMI Compact.

1       **(c) REFERENCES TO THE COMPACT, THE U.S.-**  
2 **FSM COMPACT, AND THE U.S.-RMI COMPACT;**  
3 **REFERENCES TO SUBSIDIARY AGREEMENTS OR**  
4 **SEPARATE AGREEMENTS.—**

5           **(1) Any reference in this joint resolu-**  
6 **tion (except references in title II) to “the**  
7 **Compact” shall be treated as a reference**  
8 **to the Compact of Free Association set**  
9 **forth in title II of Public Law 99–239, Jan-**  
10 **uary 14, 1986 (99 Stat. 1770). Any ref-**  
11 **erence in this joint resolution to the**  
12 **“U.S.-FSM Compact” shall be treated as a**  
13 **reference to the Compact of Free Associa-**  
14 **tion, as amended between the Govern-**  
15 **ment of the United States of America and**  
16 **the Government of the Federated States**  
17 **of Micronesia and set forth in Title II**  
18 **(section 201(a)) of this joint resolution.**  
19 **Any reference in this joint resolution to**  
20 **the “U.S.-RMI Compact” shall be treated**  
21 **as a reference to the Compact of Free As-**  
22 **sociation, as amended between the Gov-**  
23 **ernment of the United States of America**  
24 **and the Government of the Republic of**

1       the Marshall Islands and set forth in Title  
2       II (section 201(b)) of this joint resolution.

3           (2) Any reference to the term “sub-  
4       sidiary agreements” or “separate agree-  
5       ments” in this joint resolution shall be  
6       treated as a reference to agreements list-  
7       ed in section 462 of the U.S.-FSM Com-  
8       pact and the U.S.-RMI Compact, and any  
9       other agreements that the United States  
10      may from time to time enter into with ei-  
11      ther the government of the Federated  
12      States of Micronesia or the government  
13      of the Republic of the Marshall Islands,  
14      or with both such governments in accord-  
15      ance with the provisions of the U.S.-FSM  
16      Compact and the U.S.-RMI Compact.

17      (d) AMENDMENT, CHANGE, OR TERMINATION  
18      IN THE U.S.-FSM COMPACT AND U.S.-RMI COM-  
19      PACT AND CERTAIN AGREEMENTS.—

20           (1) Any amendment, change, or termi-  
21      nation by mutual agreement or by unilat-  
22      eral action of the Government of the  
23      United States of all or any part of the  
24      U.S.-FSM Compact or U.S.-RMI Compact  
25      shall not enter into force until after Con-



1       gress has incorporated it in an Act of  
2       Congress.

3           (2) The provisions of paragraph (1)  
4       shall apply—

5           (A) to all actions of the Govern-  
6       ment of the United States under the  
7       U.S.-FSM Compact or U.S.-RMI Com-  
8       pact including, but not limited to, ac-  
9       tions taken pursuant to sections 431,  
10      441, or 442;

11          (B) to any amendment, change, or  
12      termination in the Agreement Be-  
13      tween the Government of the United  
14      States and the Government of the  
15      Federated States of Micronesia Re-  
16      garding Friendship, Cooperation and  
17      Mutual Security Concluded Pursuant  
18      to Sections 321 and 323 of the Com-  
19      pact of Free Association referred to  
20      in section 462(a)(2) of the U.S.-FSM  
21      Compact and the Agreement Between  
22      the Government of the United States  
23      and the Government of the Marshall  
24      Islands Regarding Mutual Security  
25      Concluded Pursuant to Sections 321

1           **and 323 of the Compact of Free Asso-**  
2           **ciation referred to in section 462(a)(5)**  
3           **of the U.S.-RMI Compact;**

4           **(C) to any amendment, change, or**  
5           **termination of the agreements con-**  
6           **cluded pursuant to Compact section**  
7           **177, and section 215(a) of the U.S.-**  
8           **FSM Compact and section 216(a) of**  
9           **the U.S.-RMI Compact, the terms of**  
10          **which are incorporated by reference**  
11          **into the U.S.-FSM Compact and the**  
12          **U.S.-RMI Compact; and**

13          **(D) to the following subsidiary**  
14          **agreements, or portions thereof: Arti-**  
15          **cles III, IV and X of the agreement re-**  
16          **ferred to in section 462(b)(6) of the**  
17          **U.S.-RMI Compact:**

18               **(i) Article III and IV of the**  
19               **agreement referred to in section**  
20               **462(b)(6) of the U.S.-FSM Com-**  
21               **pact.**

22               **(ii) Articles VI, XV, and XVII**  
23               **of the agreement referred to in**  
24               **section 462(b)(7) of the U.S.-FSM**  
25               **Compact and U.S.-RMI Compact.**

1       **(e) SUBSIDIARY AGREEMENTS DEEMED BILAT-**  
2 **ERAL.—For purposes of implementation of the**  
3 **U.S.-FSM Compact and the U.S.-RMI Compact**  
4 **and this joint resolution, the Agreement Con-**  
5 **cluded Pursuant to Section 234 of the Com-**  
6 **pact of Free Association and referred to in**  
7 **section 462(a)(1) of the U.S.-FSM Compact and**  
8 **section 462(a)(4) of the U.S.-RMI Compact**  
9 **shall be deemed to be a bilateral agreement**  
10 **between the United States and each other**  
11 **party to such subsidiary agreement. The con-**  
12 **sent or concurrence of any other party shall**  
13 **not be required for the effectiveness of any**  
14 **actions taken by the United States in conjunc-**  
15 **tion with either the Federated States of Mi-**  
16 **cronesia or the Republic of the Marshall Is-**  
17 **lands which are intended to affect the imple-**  
18 **mentation, modification, suspension, or ter-**  
19 **mination of such subsidiary agreement (or**  
20 **any provision thereof) as regards the mutual**  
21 **responsibilities of the United States and the**  
22 **party in conjunction with whom the actions**  
23 **are taken.**

24       **(f) ENTRY INTO FORCE OF FUTURE AMEND-**  
25 **MENTS TO SUBSIDIARY AGREEMENTS.—No agree-**

1 ment between the United States and the gov-  
2 ernment of either the Federated States of Mi-  
3 cronesia or the Republic of the Marshall Is-  
4 lands which would amend, change, or termi-  
5 nate any subsidiary agreement or portion  
6 thereof, other than those set forth is sub-  
7 section (d) of this section shall enter into  
8 force until after the President has trans-  
9 mitted such agreement to the President of the  
10 Senate and the Speaker of the House of Rep-  
11 resentatives together with an explanation of  
12 the agreement and the reasons therefor. In  
13 the case of the agreement referred to in sec-  
14 tion 462(b)(3) of the U.S.-FSM Compact and  
15 the U.S.-RMI Compact, such transmittal shall  
16 include a specific statement by the Secretary  
17 of Labor as to the necessity of such amend-  
18 ment, change, or termination, and the impact  
19 thereof.

20 SEC. 102. AGREEMENTS WITH FEDERATED STATES OF MI-  
21 CRONESIA.

22 (a) LAW ENFORCEMENT ASSISTANCE.—Pur-  
23 suant to sections 222 and 224 of the U.S.-FSM  
24 Compact, the United States shall provide non-  
25 reimbursable technical and training assist-

1   ance as appropriate, including training and  
2   equipment for postal inspection of illicit  
3   drugs and other contraband, to enable the  
4   Government of the Federated States of Micro-  
5   nesia to develop and adequately enforce laws  
6   of the Federated States of Micronesia and to  
7   cooperate with the United States in the en-  
8   forcement of criminal laws of the United  
9   States. Funds appropriated pursuant to sec-  
10   tion 105(j) of this title may be used to reim-  
11   burse State or local agencies providing such  
12   assistance.

13       (b) AGREEMENT ON AUDITS.—The Comp-  
14   troller General (and his duly authorized rep-  
15   resentatives) shall have the authorities nec-  
16   essary to carry out his responsibilities under  
17   section 232 of the U.S.-FSM Compact and the  
18   agreement referred to in section 462(b)(4) of  
19   the U.S.-FSM Compact, including the fol-  
20   lowing authorities:

21           (1) GENERAL AUTHORITY OF THE COMP-  
22   TROLLER GENERAL TO AUDIT.—

23           (A) The Comptroller General of  
24   the United States (and his duly au-

1           thorized representatives) shall have  
2           the authority to audit—

3                   (i) all grants, program assist-  
4                   ance, and other assistance pro-  
5                   vided to the Government of the  
6                   Federated States of Micronesia  
7                   under Articles I and II of Title  
8                   Two of the U.S.-FSM Compact;  
9                   and

10                   (ii) any other assistance pro-  
11                   vided by the Government of the  
12                   United States to the Government  
13                   of the Federated States of Micro-  
14                   nesia.

15           Such authority shall include author-  
16           ity for the Comptroller General to  
17           conduct or cause to be conducted any  
18           of the audits provided for in section  
19           232 of the U.S.-FSM Compact. The au-  
20           thority provided in this paragraph  
21           shall continue for at least ten years  
22           after the last such grant has been  
23           made or assistance has been pro-  
24           vided.

1           **(B) The Comptroller General (and**  
2           **his duly authorized representatives)**  
3           **shall also have authority to review**  
4           **any audit conducted by or on behalf**  
5           **of the Government of the United**  
6           **States. In this connection, the Comp-**  
7           **troller General shall have access to**  
8           **such personnel and to such records,**  
9           **documents, working papers, auto-**  
10          **mated data and files, and other infor-**  
11          **mation relevant to such review.**

12           **(2) COMPTROLLER GENERAL ACCESS TO**  
13          **RECORDS.—**

14           **(A) In carrying out paragraph (1),**  
15           **the Comptroller General (and his**  
16           **duly authorized representatives)**  
17           **shall have such access to the per-**  
18           **sonnel and (without cost) to records,**  
19           **documents, working papers, auto-**  
20           **mated data and files, and other infor-**  
21           **mation relevant to such audits. The**  
22           **Comptroller General may duplicate**  
23           **any such records, documents, work-**  
24           **ing papers, automated data and files,**

1           or other information relevant to such  
2           audits.

3           (B) Such records, documents,  
4           working papers, automated data and  
5           files, and other information regarding  
6           each such grant or other assistance  
7           shall be maintained for at least ten  
8           years after the date such grant or as-  
9           sistance was provided and in a man-  
10          ner that permits such grants, assist-  
11          ance, and payments to be accounted  
12          for distinct from any other funds of  
13          the Government of the Federated  
14          States of Micronesia.

15          (3) STATUS OF COMPTROLLER GENERAL  
16          REPRESENTATIVES.—The Comptroller Gen-  
17          eral and his duly authorized representa-  
18          tives shall be immune from civil and  
19          criminal process relating to words spo-  
20          ken or written and all acts performed by  
21          them in their official capacity and falling  
22          within their functions, except insofar as  
23          such immunity may be expressly waived  
24          by the Government of the United States.  
25          The Comptroller General and his duly au-



1        **thorized representatives shall not be lia-**  
2        **ble to arrest or detention pending trial,**  
3        **except in the case of a grave crime and**  
4        **pursuant to a decision by a competent ju-**  
5        **dicial authority, and such persons shall**  
6        **enjoy immunity from seizure of personal**  
7        **property, immigration restrictions, and**  
8        **laws relating to alien registration,**  
9        **fingerprinting, and the registration of**  
10       **foreign agents. Such persons shall enjoy**  
11       **the same taxation exemptions as are set**  
12       **forth in Article 34 of the Vienna Conven-**  
13       **tion on Diplomatic Relations. The privi-**  
14       **leges, exemptions and immunities ac-**  
15       **corded under this paragraph are not for**  
16       **the personal benefit of the individuals**  
17       **concerned but are to safeguard the inde-**  
18       **pendent exercise of their official func-**  
19       **tions. Without prejudice to those privi-**  
20       **leges, exemptions and immunities, it is**  
21       **the duty of all such persons to respect**  
22       **the laws and regulations of the Govern-**  
23       **ment of the Federated States of Micro-**  
24       **nesia.**

1           **(4) AUDITS DEFINED.—As used in this**  
2           **subsection, the term “audits” includes fi-**  
3           **nancial, program, and management au-**  
4           **ditions, including determining—**

5                   **(A) whether the Government of**  
6                   **the Federated States of Micronesia**  
7                   **has met the requirements set forth in**  
8                   **the U.S.-FSM Compact, or any related**  
9                   **agreement entered into under the**  
10                  **U.S.-FSM Compact, regarding the**  
11                  **purposes for which such grants and**  
12                  **other assistance are to be used; and**

13                  **(B) the propriety of the financial**  
14                  **transactions of the Government of the**  
15                  **Federated States of Micronesia pur-**  
16                  **suant to such grants or assistance.**

17           **(5) COOPERATION BY FEDERATED STATES**  
18           **OF MICRONESIA.—The Government of the**  
19           **Federated States of Micronesia will co-**  
20           **operate fully with the Comptroller Gen-**  
21           **eral of the United States in the conduct**  
22           **of such audits as the Comptroller General**  
23           **determines necessary to enable the**  
24           **Comptroller General to fully discharge**

1        **his responsibilities under this joint reso-**  
2        **lution.**

3        **SEC. 103. AGREEMENTS WITH AND OTHER PROVISIONS RE-**  
4                                **LATED TO THE REPUBLIC OF THE MARSHALL**  
5                                **ISLANDS.**

6        **(a) LAW ENFORCEMENT ASSISTANCE.—Pur-**  
7        **suant to sections 222 and 224 of the U.S.-RMI**  
8        **Compact, the United States shall provide non-**  
9        **reimbursable technical and training assist-**  
10       **ance as appropriate, including training and**  
11       **equipment for postal inspection of illicit**  
12       **drugs and other contraband, to enable the**  
13       **Government of the Marshall Islands to de-**  
14       **velop and adequately enforce laws of the Mar-**  
15       **shall Islands and to cooperate with the United**  
16       **States in the enforcement of criminal laws of**  
17       **the United States. Funds appropriated pursu-**  
18       **ant to section 105(j) of this title may be used**  
19       **to reimburse State or local agencies providing**  
20       **such assistance.**

21       **(b) EJIT.—**

22                **(1) In the joint resolution of January**  
23        **14, 1986 (Public Law 99-239) Congress**  
24        **provided that the President of the United**  
25        **States shall negotiate with the Govern-**

1       ment of the Marshall Islands an agree-  
2       ment whereby, without prejudice as to  
3       any claims which have been or may be  
4       asserted by any party as to rightful title  
5       and ownership of any lands on Ejit, the  
6       Government of the Marshall Islands shall  
7       assure that lands on Ejit used as of Janu-  
8       ary 1, 1985, by the people of Bikini, will  
9       continue to be available without charge  
10      for their use, until such time as Bikini is  
11      restored and inhabitable and the contin-  
12      ued use of Ejit is no longer necessary, un-  
13      less a Marshall Islands court of com-  
14      petent jurisdiction finally determines  
15      that there are legal impediments to con-  
16      tinued use of Ejit by the people of Bikini.

17           (2) In the joint resolution of January  
18      14, 1986 (Public Law 99-239) Congress  
19      provided that if the impediments de-  
20      scribed in paragraph (1) do arise, the  
21      United States will cooperate with the  
22      Government of the Marshall Islands in  
23      assisting any person adversely affected  
24      by such judicial determination to remain  
25      on Ejit, or in locating suitable and ac-

1       ceptable alternative lands for such per-  
2       son's use.

3           (3) In the joint resolution of January  
4       14, 1986 (Public Law 99-239) Congress  
5       provided that paragraph (1) shall not be  
6       applied in a manner which would pre-  
7       vent the Government of the Marshall Is-  
8       lands from acting in accordance with its  
9       constitutional processes to resolve title  
10      and ownership claims with respect to  
11      such lands or from taking substitute or  
12      additional measures to meet the needs of  
13      the people of Bikini with their democrat-  
14      ically expressed consent and approval.

15      (c) KWAJALEIN.—

16           (1) It is the policy of the United  
17      States that payment of funds by the Gov-  
18      ernment of the Marshall Islands to the  
19      landowners of Kwajalein Atoll in accord-  
20      ance with the land use agreement dated  
21      October 19, 1982, or as amended or  
22      superceded, and any related allocation  
23      agreements, is required in order to en-  
24      sure that the Government of the United  
25      States will be able to fulfill its obligation

1       **and responsibilities under Title Three of**  
2       **the Compact and the subsidiary agree-**  
3       **ments concluded pursuant to the Com-**  
4       **pact.**

5           **(2)(A) If the Government of the Mar-**  
6       **shall Islands fails to make payments in**  
7       **accordance with paragraph (1), the Gov-**  
8       **ernment of the United States shall ini-**  
9       **tiate procedures under section 313 of the**  
10       **Compact and consult with the Govern-**  
11       **ment of the Marshall Islands with respect**  
12       **to the basis for the nonpayment of funds.**

13           **(B) The United States shall expedi-**  
14       **tiously resolve the matter of any non-**  
15       **payment of funds required under para-**  
16       **graph (1) pursuant to section 313 of the**  
17       **Compact and the authority and responsi-**  
18       **bility of the Government of the United**  
19       **States for security and defense matters in**  
20       **or relating to the Marshall Islands.**

21           **(C) This paragraph shall be enforced**  
22       **in accordance with section 105(f)(2).**

23           **(3) Until such time as the Govern-**  
24       **ment of the Marshall Islands and the**  
25       **landowners of Kwajalein Atoll have con-**

1       cluded an agreement amending or  
2       superceding the land use agreement  
3       dated October 19, 1982, any amounts paid  
4       by the United States to the Government  
5       of the Marshall Islands in excess of the  
6       amounts required to be paid pursuant to  
7       the land use agreement dated October 19,  
8       1982, shall be paid into, and held in, an  
9       interest bearing account in a United  
10      States financial institution by the Gov-  
11      ernment of the Republic of the Marshall  
12      Islands.

13           (4)(A) The Government of the Repub-  
14      lic of the Marshall Islands shall notify the  
15      Government of the United States when  
16      an agreement amending or superceding  
17      the land use agreement dated October 19,  
18      1982, is concluded.

19           (B) If no agreement amending or  
20      superceding the land use agreement  
21      dated October 19, 1982, is concluded by  
22      the date five years after the date of en-  
23      actment of this resolution, the President  
24      shall report to Congress on the intentions  
25      of the United States with respect to the

1       use of Kwajalein Atoll after 2016, and on  
2       any plans to relocate activities carried  
3       out at Kwajalein Atoll.

4       **(d) SECTION 177 AGREEMENT.—**

5           (1) In the joint resolution of January  
6       14, 1986 (Public Law 99-239) Congress  
7       provided that in furtherance of the pur-  
8       poses of Article I of the Subsidiary Agree-  
9       ment for Implementation of Section 177  
10      of the Compact, the payment of the  
11      amount specified therein shall be made  
12      by the United States under Article I of  
13      the Agreement between the Government  
14      of the United States and the Government  
15      of the Marshall Islands for the Implemen-  
16      tation of section 177 of the Compact  
17      (hereafter in this subsection referred to  
18      as the “Section 177 Agreement”) only  
19      after the Government of the Marshall Is-  
20      lands has notified the President of the  
21      United States as to which investment  
22      management firm has been selected by  
23      such Government to act as Fund Manager  
24      under Article I of the Section 177 Agree-  
25      ment.



1           (2) In the joint resolution of January  
2       14, 1986 (Public Law 99-239) Congress  
3       provided that in the event that the Presi-  
4       dent determines that an investment man-  
5       agement firm selected by the Government  
6       of the Marshall Islands does not meet the  
7       requirements specified in Article I of the  
8       Section 177 Agreement, the United States  
9       shall invoke the conference and dispute  
10      resolution procedures of Article II of  
11      Title Four of the Compact. Pending the  
12      resolution of such a dispute and until a  
13      qualified Fund Manager has been des-  
14      ignated, the Government of the Marshall  
15      Islands shall place the funds paid by the  
16      United States pursuant to Article I of the  
17      Section 177 Agreement into an interest-  
18      bearing escrow account. Upon designa-  
19      tion of a qualified Fund Manager, all  
20      funds in the escrow account shall be  
21      transferred to the control of such Fund  
22      Manager for management pursuant to the  
23      Section 177 Agreement.

24           (3) In the joint resolution of January  
25      14, 1986 (Public Law 99-239) Congress

1       provided that if the Government of the  
2       Marshall Islands determines that some  
3       other investment firm should act as Fund  
4       Manager in place of the firm first (or sub-  
5       sequently) selected by such Government,  
6       the Government of the Marshall Islands  
7       shall so notify the President of the  
8       United States, identifying the firm se-  
9       lected by such Government to become  
10      Fund Manager, and the President shall  
11      proceed to evaluate the qualifications of  
12      such identified firm.

13           (4) In the joint resolution of January  
14      14, 1986 (Public Law 99-239) Congress  
15      provided that at the end of 15 years after  
16      the effective date of the Compact, the  
17      firm then acting as Fund Manager shall  
18      transfer to the Government of the Mar-  
19      shall Islands, or to such account as such  
20      Government shall so notify the Fund  
21      Manager, all remaining funds and assets  
22      being managed by the Fund Manager  
23      under the Section 177 Agreement.

24      (e) NUCLEAR TEST EFFECTS.—In the joint  
25      resolution of January 14, 1986 (Public Law 99-

1 239) Congress provided that in approving the  
2 Compact, the Congress understands and in-  
3 tends that the peoples of Bikini, Enewetak,  
4 Rongelap, and Utrik, who were affected by  
5 the United States nuclear weapons testing  
6 program in the Marshall Islands, will receive  
7 the amounts of \$75,000,000 (Bikini);  
8 \$48,750,000 (Enewetak); \$37,500,000  
9 (Rongelap); and \$22,500,000 (Utrik), respec-  
10 tively, which amounts shall be paid out of pro-  
11 ceeds from the fund established under Article  
12 I, section 1 of the subsidiary agreement for  
13 the implementation of section 177 of the Com-  
14 pact. The amounts specified in this subsection  
15 shall be in addition to any amounts which  
16 may be awarded to claimants pursuant to Ar-  
17 ticle IV of the subsidiary agreement for the  
18 implementation of Section 177 of the Com-  
19 pact. Nothing in this subsection creates any  
20 rights or obligations beyond those provided  
21 for in the original enacted version of Public  
22 Law 99-239.

23 (f) ESPOUSAL PROVISIONS.—

24 (1) In the joint resolution of January  
25 14, 1986 (Public Law 99-239) Congress

1       provided that it is the intention of the  
2       Congress of the United States that the  
3       provisions of section 177 of the Compact  
4       of Free Association and the Agreement  
5       between the Government of the United  
6       States and the Government of the Mar-  
7       shall Islands for the Implementation of  
8       Section 177 of the Compact (hereafter in  
9       this subsection referred to as the “Sec-  
10      tion 177 Agreement”) constitute a full and  
11      final settlement of all claims described in  
12      Articles X and XI of the Section 177  
13      Agreement, and that any such claims be  
14      terminated and barred except insofar as  
15      provided for in the Section 177 Agree-  
16      ment.

17           (2) In the joint resolution of January  
18      14, 1986 (Public Law 99-239) Congress  
19      provided that in furtherance of the inten-  
20      tion of Congress as stated in paragraph  
21      (1) of this subsection, the Section 177  
22      Agreement is hereby ratified and ap-  
23      proved. It is the explicit understanding  
24      and intent of Congress that the jurisdic-  
25      tional limitations set forth in Article XII

1       of such Agreement are enacted solely and  
2       exclusively to accomplish the objective of  
3       Article X of such Agreement and only as  
4       a clarification of the effect of Article X,  
5       and are not to be construed or imple-  
6       mented separately from Article X.

7       (g) DOE RADIOLOGICAL HEALTH CARE PRO-  
8       GRAM; USDA AGRICULTURAL AND FOOD PRO-  
9       GRAMS.—

10           (1) Notwithstanding any other provi-  
11       sion of law, upon the request of the Gov-  
12       ernment of the Republic of the Marshall  
13       Islands, the President (either through an  
14       appropriate department or agency of the  
15       United States or by contract with a  
16       United States firm) shall continue to pro-  
17       vide special medical care and logistical  
18       support thereto for the remaining mem-  
19       bers of the population of Rongelap and  
20       Utrik who were exposed to radiation re-  
21       sulting from the 1954 United States ther-  
22       mo-nuclear “Bravo” test, pursuant to  
23       Public Laws 95–134 and 96–205.

24           (2)(A) In the joint resolution of Janu-  
25       ary 14, 1986 (Public Law 99–239), Con-

1       gress provided that notwithstanding any  
2       other provision of law, upon the request  
3       of the Government of the Marshall Is-  
4       lands, for the first fifteen years after the  
5       effective date of the Compact, the Presi-  
6       dent (either through an appropriate de-  
7       partment or agency of the United States  
8       or by contract with a United States firm  
9       or by a grant to the Government of the  
10      Republic of the Marshall Islands which  
11      may further contract only with a United  
12      States firm or a Republic of the Marshall  
13      Islands firm, the owners, officers and ma-  
14      jority of the employees of which are citi-  
15      zens of the United States or the Republic  
16      of the Marshall Islands) shall provide  
17      technical and other assistance—

18               (i) without reimbursement, to  
19               continue the planting and agricul-  
20               tural maintenance program on  
21               Enewetak, as provided in subpara-  
22               graph (C);

23               (ii) without reimbursement, to  
24               continue the food programs of the Bi-  
25               kini and Enewetak people described

1           in section 1(d) of Article II of the Sub-  
2           sidiary Agreement for the Implemen-  
3           tation of Section 177 of the Compact  
4           and for continued waterborne trans-  
5           portation of agricultural products to  
6           Enewetak including operations and  
7           maintenance of the vessel used for  
8           such purposes.

9           (B) The President shall ensure the as-  
10          sistance provided under these programs  
11          reflects the changes in the population  
12          since the inception of such programs.

13          (C)(i) The planting and agricultural  
14          maintenance program on Enewetak shall  
15          be funded at a level of not less than  
16          \$1,300,000 per year, as adjusted for infla-  
17          tion under section 218 of the U.S.-RMI  
18          Compact.

19          (ii) There is hereby authorized and  
20          appropriated to the Secretary of the Inte-  
21          rior, out of any funds in the Treasury not  
22          otherwise appropriated, to remain avail-  
23          able until expended, for each fiscal year  
24          from 2004 through 2023, \$1,300,000, as ad-  
25          justed for inflation under section 218 of

1       the U.S.-RMI Compact, to carry out the  
2       planting and agricultural maintenance  
3       program.

4           (3) In the joint resolution of January  
5       14, 1986 (Public Law 99-239) Congress  
6       provided that payments under this sub-  
7       section shall be provided to such extent  
8       or in such amounts as are necessary for  
9       services and other assistance provided  
10      pursuant to this subsection. It is the  
11      sense of Congress that after the periods  
12      of time specified in paragraphs (1) and  
13      (2) of this subsection, consideration will  
14      be given to such additional funding for  
15      these programs as may be necessary.

16      (h) RONGELAP.—

17           (1) In the joint resolution of January  
18       14, 1986 (Public Law 99-239) Congress  
19       provided that because Rongelap was di-  
20       rectly affected by fallout from a 1954  
21       United States thermonuclear test and be-  
22       cause the Rongelap people remain uncon-  
23       vinced that it is safe to continue to live  
24       on Rongelap Island, it is the intent of  
25       Congress to take such steps (if any) as



1        may be necessary to overcome the effects  
2        of such fallout on the habitability of  
3        Rongelap Island, and to restore Rongelap  
4        Island, if necessary, so that it can be safe-  
5        ly inhabited. Accordingly, it is the expect-  
6        ation of the Congress that the Govern-  
7        ment of the Marshall Islands shall use  
8        such portion of the funds specified in Ar-  
9        ticle II, section 1(e) of the subsidiary  
10       agreement for the implementation of sec-  
11       tion 177 of the Compact as are necessary  
12       for the purpose of contracting with a  
13       qualified scientist or group of scientists  
14       to review the data collected by the De-  
15       partment of Energy relating to radiation  
16       levels and other conditions on Rongelap  
17       Island resulting from the thermonuclear  
18       test. It is the expectation of the Congress  
19       that the Government of the Marshall Is-  
20       lands, after consultation with the people  
21       of Rongelap, shall select the party to re-  
22       view such data, and shall contract for  
23       such review and for submission of a re-  
24       port to the President of the United States

1       and the Congress as to the results there-  
2       of.

3           (2) In the joint resolution of January  
4       14, 1986 (Public Law 99-239) Congress  
5       provided that the purpose of the review  
6       referred to in paragraph (1) of this sub-  
7       section shall be to establish whether the  
8       data cited in support of the conclusions  
9       as to the habitability of Rongelap Island,  
10      as set forth in the Department of Energy  
11      report entitled: "The Meaning of Radi-  
12      ation for Those Atolls in the Northern  
13      Part of the Marshall Islands That Were  
14      Surveyed in 1978", dated November 1982,  
15      are adequate and whether such conclu-  
16      sions are fully supported by the data. If  
17      the party reviewing the data concludes  
18      that such conclusions as to habitability  
19      are fully supported by adequate data, the  
20      report to the President of the United  
21      States and the Congress shall so state. If  
22      the party reviewing the data concludes  
23      that the data are inadequate to support  
24      such conclusions as to habitability or  
25      that such conclusions as to habitability

1       are not fully supported by the data, the  
2       Government of the Marshall Islands shall  
3       contract with an appropriate scientist or  
4       group of scientists to undertake a com-  
5       plete survey of radiation and other ef-  
6       fects of the nuclear testing program relat-  
7       ing to the habitability of Rongelap Island.  
8       Such sums as are necessary for such sur-  
9       vey and report concerning the results  
10      thereof and as to steps needed to restore  
11      the habitability of Rongelap Island are  
12      authorized to be made available to the  
13      Government of the Marshall Islands.

14           (3) In the joint resolution of January  
15      14, 1986 (Public Law 99-239) Congress  
16      provided that it is the intent of Congress  
17      that such steps (if any) as are necessary  
18      to restore the habitability of Rongelap Is-  
19      land and return the Rongelap people to  
20      their homeland will be taken by the  
21      United States in consultation with the  
22      Government of the Marshall Islands and,  
23      in accordance with its authority under  
24      the Constitution of the Marshall Islands,  
25      the Rongelap local government council.

**(i) FOUR ATOLL HEALTH CARE PROGRAM.—**

**(1) In the joint resolution of January 14, 1986 (Public Law 99-239) Congress provided that services provided by the United States Public Health Service or any other United States agency pursuant to section 1(a) of Article II of the Agreement for the Implementation of Section 177 of the Compact (hereafter in this subsection referred to as the “Section 177 Agreement”) shall be only for services to the people of the Atolls of Bikini, Enewetak, Rongelap, and Utrik who were affected by the consequences of the United States nuclear testing program, pursuant to the program described in Public Law 95-134 (91 Stat. 1159) and Public Law 96-205 (94 Stat. 84) and their descendants (and any other persons identified as having been so affected if such identification occurs in the manner described in such public laws). Nothing in this subsection shall be construed as prejudicial to the views or policies of the Government of the Marshall Islands as to**

1       the persons affected by the consequences  
2       of the United States nuclear testing pro-  
3       gram.

4           (2) In the joint resolution of January  
5       14, 1986 (Public Law 99-239) Congress  
6       provided that at the end of the first year  
7       after the effective date of the Compact  
8       and at the end of each year thereafter,  
9       the providing agency or agencies shall re-  
10      turn to the Government of the Marshall  
11      Islands any unexpended funds to be re-  
12      turned to the Fund Manager (as de-  
13      scribed in Article I of the Section 177  
14      Agreement) to be covered into the Fund  
15      to be available for future use.

16          (3) In the joint resolution of January  
17      14, 1986 (Public Law 99-239) Congress  
18      provided that the Fund Manager shall re-  
19      tain the funds returned by the Govern-  
20      ment of the Marshall Islands pursuant to  
21      paragraph (2) of this subsection, shall in-  
22      vest and manage such funds, and at the  
23      end of 15 years after the effective date of  
24      the Compact, shall make from the total  
25      amount so retained and the proceeds

1       thereof annual disbursements sufficient  
2       to continue to make payments for the  
3       provision of health services as specified  
4       in paragraph (1) of this subsection to  
5       such extent as may be provided in con-  
6       tracts between the Government of the  
7       Marshall Islands and appropriate United  
8       States providers of such health services.

9       (j) ENJEBI COMMUNITY TRUST FUND.—In the  
10      joint resolution of January 14, 1986 (Public  
11      Law 99–239) Congress provided that notwith-  
12      standing any other provision of law, the Sec-  
13      retary of the Treasury shall establish on the  
14      books of the Treasury of the United States a  
15      fund having the status specified in Article V  
16      of the subsidiary agreement for the imple-  
17      mentation of Section 177 of the Compact, to  
18      be known as the “Enjebi Community Trust  
19      Fund” (hereafter in this subsection referred  
20      to as the “Fund”), and shall credit to the Fund  
21      the amount of \$7,500,000. Such amount, which  
22      shall be ex gratia, shall be in addition to and  
23      not charged against any other funds provided  
24      for in the Compact and its subsidiary agree-  
25      ments, this joint resolution, or any other Act.

1 Upon receipt by the President of the United  
2 States of the agreement described in this sub-  
3 section, the Secretary of the Treasury, upon  
4 request of the Government of the Marshall Is-  
5 lands, shall transfer the Fund to the Govern-  
6 ment of the Marshall Islands, provided that  
7 the Government of the Marshall Islands  
8 agrees as follows:

9           (1) ENJEBI TRUST AGREEMENT.—In the  
10 joint resolution of January 14, 1986 (Pub-  
11 lic Law 99–239) Congress provided that  
12 the Government of the Marshall Islands  
13 and the Enewetak Local Government  
14 Council, in consultation with the people  
15 of Enjebi, shall provide for the creation  
16 of the Enjebi Community Trust Fund and  
17 the employment of the manager of the  
18 Enewetak Fund established pursuant to  
19 the Section 177 Agreement as trustee and  
20 manager of the Enjebi Community Trust  
21 Fund, or, should the manager of the  
22 Enewetak Fund not be acceptable to the  
23 people of Enjebi, another United States  
24 investment manager with substantial ex-  
25 perience in the administration of trusts

1       **and with funds under management in ex-**  
2       **cess of 250 million dollars.**

3           **(2) MONITOR CONDITIONS.—In the joint**  
4       **resolution of January 14, 1986 (Public**  
5       **Law 99–239) Congress provided that upon**  
6       **the request of the Government of the**  
7       **Marshall Islands, the United States shall**  
8       **monitor the radiation and other condi-**  
9       **tions on Enjebi and within one year of re-**  
10      **ceiving such a request shall report to the**  
11      **Government of the Marshall Islands**  
12      **when the people of Enjebi may resettle**  
13      **Enjebi under circumstances where the**  
14      **radioactive contamination at Enjebi, in-**  
15      **cluding contamination derived from con-**  
16      **sumption of locally grown food products,**  
17      **can be reduced or otherwise controlled to**  
18      **meet whole body Federal radiation pro-**  
19      **tection standards for the general popu-**  
20      **lation, including mean annual dose and**  
21      **mean 30-year cumulative dose standards.**

22           **(3) RESETTLEMENT OF ENJEBI.—In the**  
23      **joint resolution of January 14, 1986 (Pub-**  
24      **lic Law 99–239) Congress provided that in**  
25      **the event that the United States deter-**



1        mines that the people of Enjebi can with-  
2        in 25 years of January 14, 1986, resettle  
3        Enjebi under the conditions set forth in  
4        paragraph (2) of this subsection, then  
5        upon such determination there shall be  
6        available to the people of Enjebi from the  
7        Fund such amounts as are necessary for  
8        the people of Enjebi to do the following,  
9        in accordance with a plan developed by  
10       the Enewetak Local Government Council  
11       and the people of Enjebi, and concurred  
12       with by the Government of the Marshall  
13       Islands to assure consistency with the  
14       government's overall economic develop-  
15       ment plan:

16                (A) Establish a community on  
17                Enjebi Island for the use of the peo-  
18                ple of Enjebi.

19                (B) Replant Enjebi with appro-  
20                priate food-bearing and other vegeta-  
21                tion.

22                (4) RESETTLEMENT OF OTHER LOCA-  
23                TION.—In the joint resolution of January  
24                14, 1986 (Public Law 99-239) Congress  
25                provided that in the event that the

1       **United States determines that within 25**  
2       **years of January 14, 1986, the people of**  
3       **Enjebi cannot resettle Enjebi without ex-**  
4       **ceeding the radiation standards set forth**  
5       **in paragraph (2) of this subsection, then**  
6       **the fund manager shall be directed by**  
7       **the trust instrument to distribute the**  
8       **Fund to the people of Enjebi for their re-**  
9       **settlement at some other location in ac-**  
10       **cordance with a plan, developed by the**  
11       **Enewetak Local Government Council and**  
12       **the people of Enjebi and concurred with**  
13       **by the Government of the Marshall Is-**  
14       **lands, to assure consistency with the gov-**  
15       **ernment's overall economic development**  
16       **plan.**

17               **(5) INTEREST FROM FUND.—In the joint**  
18       **resolution of January 14, 1986 (Public**  
19       **Law 99-239) Congress provided that prior**  
20       **to and during the distribution of the cor-**  
21       **pus of the Fund pursuant to paragraphs**  
22       **(3) and (4) of this subsection, the people**  
23       **of Enjebi may, if they so request, receive**  
24       **the interest earned by the Fund on no**  
25       **less frequent a basis than quarterly.**

1           **(6) DISCLAIMER OF LIABILITY.**—In the  
2           joint resolution of January 14, 1986 (Pub-  
3           lic Law 99-239) Congress provided that  
4           neither under the laws of the Marshall Is-  
5           lands nor under the laws of the United  
6           States, shall the Government of the  
7           United States be liable for any loss or  
8           damage to person or property in respect  
9           to the resettlement of Enjebi by the peo-  
10          ple of Enjebi, pursuant to the provision  
11          of this subsection or otherwise.

12          **(k) BIKINI ATOLL CLEANUP.**—

13           **(1) DECLARATION OF POLICY.**—In the  
14          joint resolution of January 14, 1986 (Pub-  
15          lic Law 99-239), the Congress determined  
16          and declared that it is the policy of the  
17          United States, to be supported by the full  
18          faith and credit of the United States, that  
19          because the United States, through its  
20          nuclear testing and other activities, ren-  
21          dered Bikini Atoll unsafe for habitation  
22          by the people of Bikini, the United States  
23          will fulfill its responsibility for restoring  
24          Bikini Atoll to habitability, as set forth in  
25          paragraph (2) and (3) of this subsection.

1           **(2) CLEANUP FUNDS.—**The joint resolu-  
2           **tion of January 14, 1986 (Public Law 99-**  
3           **239) authorized to be appropriated such**  
4           **sums as necessary to implement the set-**  
5           **tlement agreement of March 15, 1985, in**  
6           **The People of Bikini, et al. against United**  
7           **States of America, et al., Civ. No. 84-0425**  
8           **(D. Ha.).**

9           **(3) CONDITIONS OF FUNDING.—**In the  
10          **joint resolution of January 14, 1986 (Pub-**  
11          **lic Law 99-239) the Congress provided**  
12          **that the funds referred to in paragraph**  
13          **(2) were to be made available pursuant to**  
14          **Article VI, Section 1 of the Compact Sec-**  
15          **tion 177 Agreement upon completion of**  
16          **the events set forth in the settlement**  
17          **agreement referred to in paragraph (2) of**  
18          **this subsection.**

19          **(1) AGREEMENT ON AUDITS.—**The Comp-  
20          **troller General (and his duly authorized rep-**  
21          **resentatives) shall have the authorities nec-**  
22          **essary to carry out his responsibilities under**  
23          **section 232 of the U.S.-RMI Compact and the**  
24          **agreement referred to in section 462(b)(4) of**

1 the U.S.-RMI Compact, including the fol-  
2 lowing authorities:

3 (1) GENERAL AUTHORITY OF THE COMP-  
4 TROLLER GENERAL TO AUDIT.—

5 (A) The Comptroller General of  
6 the United States (and his duly au-  
7 thorized representatives) shall have  
8 the authority to audit—

9 (i) all grants, program assist-  
10 ance, and other assistance pro-  
11 vided to the Government of the  
12 Republic of the Marshall Islands  
13 under Articles I and II of Title  
14 Two of the U.S.-RMI Compact;  
15 and

16 (ii) any other assistance pro-  
17 vided by the Government of the  
18 United States to the Government  
19 of the Republic of the Marshall Is-  
20 lands.

21 Such authority shall include author-  
22 ity for the Comptroller General to  
23 conduct or cause to be conducted any  
24 of the audits provided for in section  
25 232 of the U.S.-RMI Compact. The au-

1           thority provided in this paragraph  
2           shall continue for at least three years  
3           after the last such grant has been  
4           made or assistance has been pro-  
5           vided.

6           (B) The Comptroller General (and  
7           his duly authorized representatives)  
8           shall also have authority to review  
9           any audit conducted by or on behalf  
10          of the Government of the United  
11          States. In this connection, the Comp-  
12          troller General shall have access to  
13          such personnel and to such records,  
14          documents, working papers, auto-  
15          mated data and files, and other infor-  
16          mation relevant to such review.

17          (2) COMPTROLLER GENERAL ACCESS TO  
18          RECORDS.—

19          (A) In carrying out paragraph (1),  
20          the Comptroller General (and his  
21          duly authorized representatives)  
22          shall have such access to the per-  
23          sonnel and (without cost) to records,  
24          documents, working papers, auto-  
25          mated data and files, and other infor-

1           mation relevant to such audits. The  
2           Comptroller General may duplicate  
3           any such records, documents, work-  
4           ing papers, automated data and files,  
5           or other information relevant to such  
6           audits.

7           (B) Such records, documents,  
8           working papers, automated data and  
9           files, and other information regarding  
10          each such grant or other assistance  
11          shall be maintained for at least three  
12          years after the date such grant or as-  
13          sistance was provided and in a man-  
14          ner that permits such grants, assist-  
15          ance and payments to be accounted  
16          for distinct from any other funds of  
17          the Government of the Republic of  
18          the Marshall Islands.

19          (3) STATUS OF COMPTROLLER GENERAL  
20          REPRESENTATIVES.—The Comptroller Gen-  
21          eral and his duly authorized representa-  
22          tives shall be immune from civil and  
23          criminal process relating to words spo-  
24          ken or written and all acts performed by  
25          them in their official capacity and falling

1       **within their functions, except insofar as**  
2       **such immunity may be expressly waived**  
3       **by the Government of the United States.**  
4       **The Comptroller General and his duly au-**  
5       **thorized representatives shall not be lia-**  
6       **ble to arrest or detention pending trial,**  
7       **except in the case of a grave crime and**  
8       **pursuant to a decision by a competent ju-**  
9       **dicial authority, and such persons shall**  
10       **enjoy immunity from seizure of personal**  
11       **property, immigration restrictions, and**  
12       **laws relating to alien registration,**  
13       **fingerprinting, and the registration of**  
14       **foreign agents. Such persons shall enjoy**  
15       **the same taxation exemptions as are set**  
16       **forth in Article 34 of the Vienna Conven-**  
17       **tion on Diplomatic Relations. The privi-**  
18       **leges, exemptions and immunities ac-**  
19       **corded under this paragraph are not for**  
20       **the personal benefit of the individuals**  
21       **concerned but are to safeguard the inde-**  
22       **pendent exercise of their official func-**  
23       **tions. Without prejudice to those privi-**  
24       **leges, exemptions and immunities, it is**  
25       **the duty of all such persons to respect**



1       the laws and regulations of the Govern-  
2       ment of the Republic of the Marshall Is-  
3       lands.

4           (4) AUDITS DEFINED.—As used in this  
5       subsection, the term “audits” includes fi-  
6       nancial, program, and management au-  
7       dits, including determining—

8           (A) whether the Government of  
9       the Republic of the Marshall Islands  
10      has met the requirements set forth in  
11      the U.S.-RMI Compact, or any related  
12      agreement entered into under the  
13      U.S.-RMI Compact, regarding the pur-  
14      poses for which such grants and  
15      other assistance are to be used; and

16          (B) the propriety of the financial  
17      transactions of the Government of the  
18      Republic of the Marshall Islands pur-  
19      suant to such grants or assistance.

20          (5) COOPERATION BY THE REPUBLIC OF  
21      THE MARSHALL ISLANDS.—The Government  
22      of the Republic of the Marshall Islands  
23      will cooperate fully with the Comptroller  
24      General of the United States in the con-  
25      duct of such audits as the Comptroller

1       **General determines necessary to enable**  
2       **the Comptroller General to fully dis-**  
3       **charge his responsibilities under this**  
4       **joint resolution.**

5       **SEC. 104. INTERPRETATION OF AND UNITED STATES POL-**  
6               **ICY REGARDING U.S.-FSM COMPACT AND U.S.-**  
7               **RMI COMPACT.**

8       **(a) HUMAN RIGHTS.—In approving the U.S.-**  
9       **FSM Compact and the U.S.-RMI Compact, the**  
10       **Congress notes the conclusion in the State-**  
11       **ment of Intent of the Report of The Future Po-**  
12       **litical Status Commission of the Congress of**  
13       **Micronesia in July, 1969, that “our rec-**  
14       **ommendation of a free associated state is in-**  
15       **dissolubly linked to our desire for such a**  
16       **democratic, representative, constitutional**  
17       **government” and notes that such desire and**  
18       **intention are reaffirmed and embodied in the**  
19       **Constitutions of the Federated States of Mi-**  
20       **cronesia and the Republic of the Marshall Is-**  
21       **lands. The Congress also notes and specifi-**  
22       **cally endorses the preamble to the U.S.-FSM**  
23       **Compact and the U.S.-RMI Compact, which af-**  
24       **firms that the governments of the parties to**  
25       **the U.S.-FSM Compact and the U.S.-RMI Com-**

1 pact are founded upon respect for human  
2 rights and fundamental freedoms for all. The  
3 Secretary of State shall include in the annual  
4 reports on the status of internationally recog-  
5 nized human rights in foreign countries,  
6 which are submitted to the Congress pursu-  
7 ant to sections 116 and 502B of the Foreign As-  
8 sistance Act of 1961 (22 U.S.C. 2151n, 2304), a  
9 full and complete report regarding the status  
10 of internationally recognized human rights in  
11 the Federated States of Micronesia and the  
12 Republic of the Marshall Islands.

13 (b) IMMIGRATION AND PASSPORT SECURITY.—

14 (1) NATURALIZED CITIZENS.—The rights  
15 of a bona fide naturalized citizen of the  
16 Federated States of Micronesia or the Re-  
17 public of the Marshall Islands to enter  
18 the United States, to lawfully engage  
19 therein in occupations, and to establish  
20 residence therein as a nonimmigrant, to  
21 the extent such rights are provided  
22 under section 141 of the U.S.-FSM Com-  
23 pact and U.S.-RMI Compact, shall not be  
24 deemed to extend to any such naturalized  
25 citizen with respect to whom cir-

1        **cumstances associated with the acqui-**  
2        **tion of the status of a naturalized citizen**  
3        **are such as to allow a reasonable infer-**  
4        **ence, on the part of appropriate officials**  
5        **of the United States and subject to**  
6        **United States procedural requirements,**  
7        **that such naturalized status was ac-**  
8        **quired primarily in order to obtain such**  
9        **rights.**

10        **(2) PASSPORTS.—It is the intent of**  
11        **Congress that up to \$250,000 of the grant**  
12        **assistance provided to the Federated**  
13        **States of Micronesia pursuant to section**  
14        **211(a)(4) of the U.S.-FSM Compact, and**  
15        **up to \$250,000 of the grant assistance pro-**  
16        **vided to the Republic of the Marshall Is-**  
17        **lands pursuant to section 211(a)(4) of the**  
18        **U.S.-RMI Compact (or a greater amount**  
19        **of the section 211(a)(4) grant, if mutually**  
20        **agreed between the Government of the**  
21        **United States and the government of the**  
22        **Federated States of Micronesia or the**  
23        **government of the Republic of the Mar-**  
24        **shall Islands), be used for the purpose of**  
25        **increasing the machine-readability and**

1 security of passports issued by such juris-  
2 dictions. It is the intent of Congress that  
3 funds be obligated by September 30, 2004  
4 and in the amount and manner specified  
5 by the Secretary of State in consultation  
6 with the Secretary of Homeland Security  
7 and, respectively, with the government of  
8 the Federated States of Micronesia and  
9 the government of the Republic of the  
10 Marshall Islands. The United States Gov-  
11 ernment is authorized to require that  
12 passports used for the purpose of seeking  
13 admission under section 141 of the U.S.-  
14 FSM Compact and the U.S.-RMI Compact  
15 contain the security enhancements fund-  
16 ed by such assistance.

17 (3) INFORMATION-SHARING.—It is the in-  
18 tent of Congress that the governments of  
19 the Federated States of Micronesia and  
20 the Republic of the Marshall Islands de-  
21 velop, prior to October 1, 2004, the capa-  
22 bility to provide reliable and timely infor-  
23 mation as may reasonably be required by  
24 the Government of the United States in  
25 enforcing criminal and security-related

1 grounds of inadmissibility and deport-  
2 ability under the Immigration and Na-  
3 tionality Act, as amended, and shall pro-  
4 vide such information to the Government  
5 of the United States.

6 (4) TRANSITION; CONSTRUCTION OF SEC-  
7 TIONS 141(A)(3) AND 141(A)(4) OF THE U.S.-FSM  
8 COMPACT AND U.S.-RMI COMPACT.—The  
9 words “the effective date of this Compact,  
10 as amended” in sections 141(a)(3) and  
11 141(a)(4) of the U.S.-FSM Compact and  
12 the U.S.-RMI Compact shall be construed  
13 to read, “on the day prior to the enact-  
14 ment by the United States Congress of  
15 the Amended Compact Act.”.

16 (c) NONALIENATION OF LANDS.—The Con-  
17 gress endorses and encourages the mainte-  
18 nance of the policies of the Government of the  
19 Federated States of Micronesia and the Gov-  
20 ernment of the Republic of the Marshall Is-  
21 lands to regulate, in accordance with their  
22 Constitutions and laws, the alienation of per-  
23 manent interests in real property so as to re-  
24 strict the acquisition of such interests to per-  
25 sons of Federated States of Micronesia citi-

1   zenship and the Republic of the Marshall Is-  
2   lands citizenship, respectively.

3       (d) **NUCLEAR WASTE DISPOSAL.**—In approv-  
4   ing the U.S.-FSM Compact and the U.S.-RMI  
5   Compact, the Congress understands that the  
6   Government of the Federated States of Micro-  
7   nesia and the Government of the Republic of  
8   the Marshall Islands will not permit any other  
9   government or any nongovernmental party to  
10   conduct, in the Republic of the Marshall Is-  
11   lands or in the Federated States of Micro-  
12   nesia, any of the activities specified in sub-  
13   section (a) of section 314 of the U.S.-FSM Com-  
14   pact and the U.S.-RMI Compact.

15       (e) **IMPACT OF COMPACTS ON GUAM, THE**  
16   **STATE OF HAWAII, THE COMMONWEALTH OF THE**  
17   **NORTHERN MARIANA ISLANDS, AND AMERICAN**  
18   **SAMOA; RELATED AUTHORIZATION AND CON-**  
19   **TINUING APPROPRIATION.**—

20           (1) **RECONCILIATION OF UNREIMBURSED**  
21       **IMPACT EXPENSES.**—

22               (A) **IN GENERAL.**—Notwithstanding  
23               any other provision of law, the Presi-  
24               dent, to address previously accrued  
25               and unreimbursed impact expenses,

1           may at the request of the Governor of  
2           Guam or the Governor of the Com-  
3           monwealth of the Northern Mariana  
4           Islands, reduce, release, or waive all  
5           or part of any amounts owed by the  
6           Government of Guam or the Govern-  
7           ment of the Commonwealth of the  
8           Northern Mariana Islands (or either  
9           government's autonomous agencies or  
10          instrumentalities), respectively, to  
11          any department, agency, independent  
12          agency, office, or instrumentality of  
13          the United States.

14                **(B) TERMS AND CONDITIONS.—**

15                **(i) SUBSTANTIATION OF IMPACT**  
16                **COSTS.—**Not later than 120 days  
17                after the date of the enactment of  
18                this resolution, the Governor of  
19                Guam and the Governor of the  
20                Commonwealth of the Northern  
21                Mariana Islands shall each submit  
22                to the Secretary of the Interior a  
23                report, prepared in consultation  
24                with an independent accounting  
25                firm, substantiating unreim-



1           bursed impact expenses claimed  
2           for the period from January 14,  
3           1986, through September 30, 2003.  
4           Upon request of the Secretary of  
5           the Interior, the Governor of  
6           Guam and the Governor of the  
7           Commonwealth of the Northern  
8           Mariana Islands shall each submit  
9           to the Secretary of the Interior  
10          copies of all documents upon  
11          which the report submitted by  
12          that Governor under this clause  
13          was based.

14               (ii) CONGRESSIONAL NOTIFICA-  
15               TION.—The President shall notify  
16               Congress of his intent to exercise  
17               the authority granted in subpara-  
18               graph (A).

19               (iii) CONGRESSIONAL REVIEW  
20               AND COMMENT.—Any reduction, re-  
21               lease, or waiver under this Act  
22               shall not take effect until 60 days  
23               after the President notifies Con-  
24               gress of his intent to approve a  
25               request of the Governor of Guam

1           or the Governor of the Common-  
2           wealth of the Northern Mariana  
3           Islands. In exercising his author-  
4           ity under this section and in de-  
5           termining whether to give final  
6           approval to a request, the Presi-  
7           dent shall take into consideration  
8           comments he may receive after  
9           Congressional review.

10           (iv) EXPIRATION.—The author-  
11           ity granted in subparagraph (A)  
12           shall expire on February 28, 2005.

13           (2) STATEMENT OF CONGRESSIONAL IN-  
14           TENT.—In approving the Compacts, it is  
15           not the intent of the Congress to cause  
16           any adverse consequences for Guam, the  
17           State of Hawaii, the Commonwealth of  
18           the Northern Mariana Islands, and Amer-  
19           ican Samoa.

20           (3) ANNUAL REPORTS AND RECOMMENDA-  
21           TIONS.—One year after the date of enact-  
22           ment of this joint resolution, and at one  
23           year intervals thereafter, the Governors  
24           of Guam, the State of Hawaii, the Com-  
25           monwealth of the Northern Mariana Is-

1       lands, and American Samoa may provide  
2       to the Secretary of the Interior by Feb-  
3       ruary 1 of each year their comments with  
4       respect to the impacts of the Compacts  
5       on their respective jurisdiction. The Sec-  
6       retary of the Interior, upon receipt of any  
7       such comments, shall report to the Con-  
8       gress not later than May 1 of each year to  
9       include the following:

10               (A) The Governor's comments on  
11               the impacts of the Compacts as well  
12               as the Administration's analysis of  
13               such impact.

14               (B) Any adverse consequences re-  
15               sulting from the Compacts and rec-  
16               ommendations for corrective action  
17               to eliminate those consequences.

18               (C) Matters relating to trade, tax-  
19               ation, immigration, labor laws, min-  
20               imum wages, health, educational, so-  
21               cial, and public safety services and  
22               infrastructure, and environmental  
23               regulation.

24               (D) With regard to immigration,  
25               statistics concerning the number of

1           persons availing themselves of the  
2           rights described in section 141(a) of  
3           the Compact during the year covered  
4           by each report.

5           (E) With regard to trade, the re-  
6           ports shall include an analysis of the  
7           impact on the economy of American  
8           Samoa resulting from imports of  
9           canned tuna into the United States  
10          from the Federated States of Micro-  
11          nesia, and the Republic of the Mar-  
12          shall Islands.

13          (4) COMMITMENT OF CONGRESS TO RE-  
14          DRESS ADVERSE CONSEQUENCES.—The Con-  
15          gress hereby declares that, if any adverse  
16          consequences to Guam, the State of Ha-  
17          waii, the Commonwealth of the Northern  
18          Mariana Islands, or American Samoa re-  
19          sult from implementation of the Com-  
20          pacts, the Congress will act sympa-  
21          thetically and expeditiously to redress  
22          those adverse consequences.

23          (5) QUALIFIED NONIMMIGRANT.—For the  
24          purposes of this section, the term “quali-

1       **fied nonimmigrant” means person admit-**  
2       **ted to the United States pursuant to:**

3               **(A) section 141 of the Compact of**  
4       **Free Association between the United**  
5       **States and the Government of the**  
6       **Federated States of Micronesia set**  
7       **forth in Title I;**

8               **(B) section 141 of the Compact of**  
9       **Free Association between the United**  
10       **States and the Government of the Re-**  
11       **public of the Marshall Islands set**  
12       **forth in Title I; or**

13               **(C) section 141 of the Compact of**  
14       **Free Association between the United**  
15       **States and the Government of the Re-**  
16       **public of Palau.**

17       **(6) AUTHORIZATION AND CONTINUING AP-**  
18       **PROPRIATION.—There are hereby author-**  
19       **ized and appropriated to the Secretary of**  
20       **the Interior, for each fiscal year begin-**  
21       **ning after September 30, 2003 through**  
22       **2023, \$30,000,000 for grants to the govern-**  
23       **ments of Guam, the State of Hawaii, the**  
24       **Commonwealth of the Northern Mariana**  
25       **Islands, and American Samoa as a result**

1 of increased demands placed on edu-  
2 cational, social, or public safety services  
3 or infrastructure related to such services  
4 due to the presence in Guam, the State of  
5 Hawaii, the Commonwealth of the North-  
6 ern Mariana Islands, or American Samoa  
7 of qualified nonimmigrants from the Fed-  
8 erated States of Micronesia, the Republic  
9 of the Marshall Islands, or the Republic  
10 of Palau.

11 (A) AWARDING.—The grants shall  
12 be—

13 (i) awarded and administered  
14 by the Department of the Interior,  
15 Office of Insular Affairs, or any  
16 successor thereto, in accordance  
17 with regulations, policies and  
18 procedures applicable to grants  
19 so awarded and administered;  
20 and

21 (ii) used only for health, edu-  
22 cational, social, or public safety  
23 services, or infrastructure related  
24 to such services, specifically af-

1            fected    by    qualified    non-  
2            immigrants.

3            (B) ENUMERATION.—For purposes  
4            of carrying out this section, the Sec-  
5            retary of the Interior shall provide  
6            for a periodic census of qualified non-  
7            immigrants in Guam, the State of Ha-  
8            waii, the Commonwealth of the  
9            Northern Mariana Islands, and Amer-  
10          ican Samoa. The enumeration—

11            (i) shall be provided by the  
12            Secretary of the Interior begin-  
13            ning in fiscal year 2004 and there-  
14            after in calendar years 2005, 2010,  
15            2015, and 2020;

16            (ii) shall be supervised by the  
17            United States Bureau of the Cen-  
18            sus and any other supporting or-  
19            ganization(s) as the Secretary of  
20            the Interior may select; and

21            (iii) after fiscal year 2003,  
22            shall be funded by the Secretary  
23            of the Interior by deducting such  
24            sums as are necessary from funds  
25            appropriated pursuant to the au-

1           thorization contained in para-  
2           graph (6) of this subsection.

3           (C) ALLOCATION.—The Secretary of  
4           the Interior shall allocate to each of  
5           the governments of Guam, the State  
6           of Hawaii, the Commonwealth of the  
7           Northern Mariana Islands, and Amer-  
8           ican Samoa, on the basis of the re-  
9           sults of the most recent enumeration,  
10          grants in an aggregate amount equal  
11          to the total amount of funds appro-  
12          priated under paragraph (6) of this  
13          subsection, as reduced by any deduc-  
14          tions authorized by subparagraph  
15          (iii) of subparagraph (B) of paragraph  
16          (6) of this subsection, multiplied by a  
17          ratio derived by dividing the number  
18          of qualified nonimmigrants in such  
19          affected jurisdiction by the total num-  
20          ber of qualified nonimmigrants in the  
21          governments of Guam, the Common-  
22          wealth of the Northern Mariana Is-  
23          lands, and American Samoa.

24          (7) AUTHORIZATION OF APPROPRIATIONS  
25          FOR GRANTS.—There are hereby author-



1        ized to the Secretary of the Interior for  
2        each of fiscal years 2004 through 2023  
3        such sums as may be necessary for grants  
4        to the governments of Guam, the State of  
5        Hawaii, the Commonwealth of the North-  
6        ern Mariana Islands, and American  
7        Samoa, as a result of increased demands  
8        placed on educational, social, or public  
9        safety services or infrastructure related  
10       to service due to the presence in Guam,  
11       Hawaii, the Commonwealth of the North-  
12       ern Mariana Islands, and American  
13       Samoa of qualified nonimmigrants from  
14       the Federated States of Micronesia, the  
15       Republic of the Marshall Islands, and the  
16       Republic of Palau.

17        (8) AUTHORIZATION OF APPROPRIATIONS  
18        FOR THE REIMBURSEMENT OF HEALTH CARE  
19        SERVICES.—

20                (A) AUTHORIZATION.—In addition  
21                to amounts appropriated pursuant to  
22                the authorization provided in section  
23                221(b) of Article II of Title Two of the  
24                U.S.-FSM Compact and the U.S.-RMI  
25                Compact, there are hereby authorized

1           to be appropriated to the Secretary of  
2           the Interior such sums as may be nec-  
3           essary to reimburse designated  
4           health care providers for qualifying  
5           health care costs for medical debt re-  
6           ferral claims for health care services  
7           furnished before October 1, 2003.

8           **(B) DESIGNATED HEALTH CARE PRO-**  
9           **VIDERS.—**For purposes of subpara-  
10          graph (A), the term “designated  
11          health care provider” means an insti-  
12          tutional provider of health care serv-  
13          ices (such as a public or private hos-  
14          pital) located in Hawaii, Guam, the  
15          Commonwealth of the Northern Mar-  
16          iana Islands, or American Samoa.

17          **(C) QUALIFYING HEALTH CARE**  
18          **COSTS.—**For purposes of subpara-  
19          graph (A), the term “qualifying health  
20          care costs” means costs that the Sec-  
21          retary determines are incurred by a  
22          designated health care provider for  
23          health care services furnished in Ha-  
24          waii, Guam, the Commonwealth of  
25          the Northern Mariana Islands, and

1           **American Samoa (as the case may be)**  
2           **to a citizen of the Republic of the**  
3           **Marshall Islands, the Federated**  
4           **States of Micronesia, or the Republic**  
5           **of Palau pursuant to medical referral**  
6           **programs in the Federated States of**  
7           **Micronesia and the Republic of the**  
8           **Marshall Islands.**

9           **(9) USE OF DOD MEDICAL FACILITIES**  
10          **AND NATIONAL HEALTH SERVICE CORPS.—**

11           **(A) DOD MEDICAL FACILITIES.—The**  
12           **Secretary of Defense shall make**  
13           **available, on a space available and re-**  
14           **imbursable basis, the medical facili-**  
15           **ties of the Department of Defense for**  
16           **use by citizens of the Federated**  
17           **States of Micronesia, the Republic of**  
18           **the Marshall Islands, and the Repub-**  
19           **lic of Palau who are properly re-**  
20           **ferred to the facilities by government**  
21           **authorities responsible for provision**  
22           **of medical services in the Federated**  
23           **States of Micronesia, the Republic of**  
24           **the Marshall Islands, the Republic of**  
25           **Palau and the affected jurisdictions.**

1           **(B) NATIONAL HEALTH SERVICE**  
2           **CORPS.—The Secretary of Health and**  
3           **Human Services shall continue to**  
4           **make the services of the National**  
5           **Health Service Corps available to the**  
6           **residents of the Federated States of**  
7           **Micronesia and the Republic of the**  
8           **Marshall Islands to the same extent**  
9           **and for so long as such services are**  
10          **authorized to be provided to persons**  
11          **residing in any other areas within or**  
12          **outside the United States.**

13          **(C) AUTHORIZATION OF APPROPRIA-**  
14          **TIONS.—There are authorized to be**  
15          **appropriated to carry out this para-**  
16          **graph such sums as are necessary for**  
17          **each fiscal year.**

18          **(f) SENSE OF CONGRESS CONCERNING FUND-**  
19          **ING OF PUBLIC INFRASTRUCTURE.—It is the**  
20          **sense of Congress that—**

21               **(1) not less than 30 percent of the**  
22          **United States annual grant assistance**  
23          **provided under section 211 of the Com-**  
24          **pact of Free Association, as amended, be-**  
25          **tween the Government of the United**

1       **States of America and the Government of**  
2       **the Federated States of Micronesia, and**  
3       **not less than 30 percent of the total**  
4       **amount of section 211 funds allocated to**  
5       **each of the states of the Federated States**  
6       **of Micronesia, shall be invested in infra-**  
7       **structure improvements in accordance**  
8       **with the list of specific projects included**  
9       **in the plan described in section**  
10      **211(a)(6)(i) and for maintenance in ac-**  
11      **cordance with section 211(a)(6)(ii); and**

12           **(2) not less than 30 percent of the**  
13      **United States annual grant assistance**  
14      **provided under section 211 of the Com-**  
15      **pact of Free Association, as amended, be-**  
16      **tween the Government of the United**  
17      **States of America and the Government of**  
18      **the Republic of the Marshall Islands,**  
19      **shall be used for infrastructure improve-**  
20      **ment and maintenance in accordance**  
21      **with section 211(d).**

22      **(g) FOREIGN LOANS.—The Congress hereby**  
23      **reaffirms the United States position that the**  
24      **United States Government is not responsible**  
25      **for foreign loans or debt obtained by the Gov-**

1 ernments of the Federated States of Micro-  
2 nesia and the Republic of the Marshall Is-  
3 lands.

4 (h) REPORTS AND REVIEWS.—

5 (1) REPORT BY THE PRESIDENT.—Not  
6 later than the end of the first full cal-  
7 endar year following enactment of this  
8 resolution, and not later than December  
9 31 of each year thereafter, the President  
10 shall submit a report to Congress regard-  
11 ing the Federated States of Micronesia  
12 and the Republic of the Marshall Islands.  
13 The report shall include, at a minimum,  
14 the following with regard to :

15 (A) General social, political, and  
16 economic conditions, including esti-  
17 mates of economic growth, per capita  
18 income, and migration rates.

19 (B) The use and effectiveness of  
20 United States financial and program  
21 assistance.

22 (C) The status of economic policy  
23 reforms in the Federated States of  
24 Micronesia and the Republic of the  
25 Marshall Islands.

1           **(D) The status of the efforts by**  
2           **the Federated States of Micronesia**  
3           **and the Republic of the Marshall Is-**  
4           **lands to attract foreign investment**  
5           **and to increase indigenous business**  
6           **activity.**

7           **(E) Recommendations on ways to**  
8           **increase the effectiveness of United**  
9           **States assistance.**

10          **(2) REVIEW.—During the year of the**  
11          **fifth and fifteenth anniversaries of the**  
12          **date of enactment of this resolution, the**  
13          **Government of the United States and the**  
14          **Government of the Federated States of**  
15          **Micronesia, and the Government of the**  
16          **Republic of the Marshall Islands, shall**  
17          **formally review the terms of their respec-**  
18          **tive Compacts and shall consider the**  
19          **overall nature and development of their**  
20          **relationship. In these formal reviews, the**  
21          **governments shall consider the operating**  
22          **requirements of the Government of the**  
23          **Federated States of Micronesia and the**  
24          **Government of the Republic of the Mar-**  
25          **shall Islands and their progress in meet-**

1       ing the development objectives set forth  
2       in their respective development plans.  
3       The governments may agree to commit  
4       themselves to take specific measures in  
5       response to the findings resulting from  
6       the reviews. The President shall include  
7       the findings resulting from the reviews,  
8       and any recommendations for actions to  
9       respond to such findings, in the annual  
10      reports to Congress for the years fol-  
11      lowing the reviews.

12           (3) BY THE COMPTROLLER GENERAL.—  
13      Not later than the date that is 3 years  
14      after the date of enactment of this joint  
15      resolution, and every 5 years thereafter,  
16      the Comptroller General of the United  
17      States shall submit to Congress a report  
18      on the Federated States of Micronesia  
19      and the Republic of the Marshall Islands,  
20      including the topics set forth in para-  
21      graph (1) and the effectiveness of admin-  
22      istrative oversight by the United States.

23           (i) CONSTRUCTION OF SECTION 141(f).—Sec-  
24      tion 141(f)(2) of the Compact of Free Associa-  
25      tion between the Government of the United



1 States of America and the Government of the  
2 Federated States of Micronesia and of the  
3 Compact of Free Association between the  
4 Government of the United States of America  
5 and the Government of the Republic of the  
6 Marshall Islands, shall be construed as  
7 though “, except that any such regulations  
8 that would have a significant effect on the ad-  
9 mission, stay and employment privileges pro-  
10 vided under this section shall not become ef-  
11 fective until 90 days after the date of trans-  
12 mission of the regulations to the Committee  
13 on Energy and Natural Resources and the  
14 Committee on the Judiciary of the Senate and  
15 the Committee on Resources, the Committee  
16 on International Relations, and the Com-  
17 mittee on the Judiciary of the House of Rep-  
18 resentatives” was inserted after “may by regu-  
19 lations prescribe”.

20 SEC. 105. SUPPLEMENTAL PROVISIONS.

21 (a) DOMESTIC PROGRAM REQUIREMENTS.—  
22 Except as may otherwise be provided in this  
23 joint resolution, all United States Federal pro-  
24 grams and services extended to or operated in  
25 the Federated States of Micronesia or the Re-

1 public of the Marshall Islands are and shall  
2 remain subject to all applicable criteria,  
3 standards, reporting requirements, auditing  
4 procedures, and other rules and regulations  
5 applicable to such programs when operating  
6 in the United States (including its territories  
7 and commonwealths).

8 (b) RELATIONS WITH THE FEDERATED STATES  
9 OF MICRONESIA AND THE REPUBLIC OF THE MAR-  
10 SHALL ISLANDS.—

11 (1) Appropriations made pursuant to  
12 Article I of Title Two and subsection  
13 (a)(2) of section 221 of Article II of Title  
14 Two of the U.S.-FSM Compact and the  
15 U.S.-RMI Compact shall be made to the  
16 Secretary of the Interior, who shall have  
17 the authority necessary to fulfill his re-  
18 sponsibilities for monitoring and man-  
19 aging the funds so appropriated con-  
20 sistent with the U.S.-FSM Compact and  
21 the U.S.-RMI Compact, including the  
22 agreements referred to in section  
23 462(b)(4) of the U.S.-FSM Compact and  
24 U.S.-RMI Compact (relating to Fiscal Pro-  
25 cedures) and the agreements referred to

1       **in section 462(b)(5) of the U.S.-FSM Com-**  
2       **pact and the U.S.-RMI Compact (regard-**  
3       **ing the Trust Fund).**

4           **(2) Appropriations made pursuant to**  
5       **subsections (a)(1) and (a)(3) through (6)**  
6       **of section 221 of Article II of Title Two of**  
7       **the U.S.-FSM Compact and subsection**  
8       **(a)(1) and (a)(3) through (5) of the U.S.-**  
9       **RMI Compact shall be made directly to**  
10       **the agencies named in those subsections.**

11           **(3) Appropriations for services and**  
12       **programs referred to in subsection (b) of**  
13       **section 221 of Article II of Title Two of**  
14       **the U.S.-FSM Compact or U.S.-RMI Com-**  
15       **pact and appropriations for services and**  
16       **programs referred to in sections 105(f)**  
17       **and 108(a) of this joint resolution shall be**  
18       **made to the relevant agencies in accord-**  
19       **ance with the terms of the appropriations**  
20       **for such services and programs.**

21           **(4) Federal agencies providing pro-**  
22       **grams and services to the Federated**  
23       **States of Micronesia and the Republic of**  
24       **the Marshall Islands shall coordinate**  
25       **with the Secretaries of the Interior and**

1       **State regarding provision of such pro-**  
2       **grams and services. The Secretaries of**  
3       **the Interior and State shall consult with**  
4       **appropriate officials of the Asian Devel-**  
5       **opment Bank and with the Secretary of**  
6       **the Treasury regarding overall economic**  
7       **conditions in the Federated States of Mi-**  
8       **cronesia and the Republic of the Mar-**  
9       **shall Islands and regarding the activities**  
10      **of other donors of assistance to the Fed-**  
11      **erated States of Micronesia and the Re-**  
12      **public of the Marshall Islands.**

13           **(5) United States Government em-**  
14      **ployees in either the Federated States of**  
15      **Micronesia or the Republic of the Mar-**  
16      **shall Islands are subject to the authority**  
17      **of the United States Chief of Mission, in-**  
18      **cluding as elaborated in section 207 of**  
19      **the Foreign Service Act and the Presi-**  
20      **dent's Letter of Instruction to the United**  
21      **States Chief of Mission and any order or**  
22      **directive of the President in effect from**  
23      **time to time.**

24           **(6)(A) The President is hereby author-**  
25      **ized to appoint an Interagency Group on**

1       **Freely Associated States' Affairs to pro-**  
2       **vide policy guidance and recommenda-**  
3       **tions on implementation of the U.S.-FSM**  
4       **Compact and the U.S.-RMI Compact to**  
5       **Federal departments and agencies.**

6           **(B) It is the sense of Congress that**  
7       **the Secretary of State, the Secretary of**  
8       **Interior, and the Secretary of the Treas-**  
9       **ury should be represented on the Inter-**  
10       **agency Group.**

11           **(7)(A)(i) The three United States ap-**  
12       **pointees (United States chair plus two**  
13       **members) to the Joint Economic Manage-**  
14       **ment Committee provided for in section**  
15       **213 of the U.S.-FSM Compact and Article**  
16       **III of the U.S.-FSM Fiscal Procedures**  
17       **Agreement referred to in section 462(b)(4)**  
18       **of the U.S.-FSM Compact shall be United**  
19       **States Government officers or employees.**

20           **(ii) It is the sense of Congress that**  
21       **the appointees should be designated from**  
22       **the Department of State, the Department**  
23       **of the Interior, and the Department of**  
24       **the Treasury.**

1           (iii) Section 213 of the U.S.-FSM Com-  
2           pact shall be construed to read as though  
3           the phrase, “and on the implementation  
4           of economic policy reforms designed to  
5           encourage private sector investment,”  
6           were inserted after “with particular focus  
7           on those parts of the plan dealing with  
8           the sectors identified in subsection (a) of  
9           section 211”.

10           (B)(i) The three United States ap-  
11           pointees (United States chair plus  
12           two members) to the Joint Economic  
13           Management and Financial Account-  
14           ability Committee provided for in sec-  
15           tion 214 of the U.S.-RMI Compact and  
16           Article III of the U.S.-RMI Fiscal Pro-  
17           cedures Agreement referred to in sec-  
18           tion 462(b)(4) of the U.S.-RMI Com-  
19           pact shall be United States Govern-  
20           ment officers or employees.

21           (ii) It is the sense of Congress  
22           that the appointees should be des-  
23           ignated from the Department of  
24           State, the Department of the Interior,  
25           and the Department of the Treasury.

1           **(iii) Section 214 of the U.S.-RMI**  
2           **Compact shall be construed to read**  
3           **as though the phrase, “and on the im-**  
4           **plementation of economic policy re-**  
5           **forms designed to encourage private**  
6           **sector investment,” were inserted**  
7           **after “with particular focus on those**  
8           **parts of the framework dealing with**  
9           **the sectors and areas identified in**  
10          **subsection (a) of section 211”.**

11          **(8) It is the sense of Congress that the**  
12          **Secretary of State and the Secretary of**  
13          **the Interior shall assure that there are**  
14          **personnel resources committed in the ap-**  
15          **propriate numbers and locations to en-**  
16          **sure effective oversight of United States**  
17          **financial and program assistance.**

18          **(9) The United States voting members**  
19          **(United States chair plus two or more**  
20          **members) of the Trust Fund Committee**  
21          **appointed by the Government of the**  
22          **United States pursuant to Article 7 of the**  
23          **Trust Fund Agreement implementing sec-**  
24          **tion 215 of the U.S.-FSM Compact and re-**  
25          **ferred to in section 462(b)(5) of the U.S.-**

1       **FSM Compact and any alternates des-**  
2       **ignated by the Government of the United**  
3       **States shall be United States Government**  
4       **officers or employees. The United States**  
5       **voting members (United States chair plus**  
6       **two or more members) of the Trust Fund**  
7       **Committee appointed by the Government**  
8       **of the United States pursuant to Article 7**  
9       **of the Trust Fund Agreement imple-**  
10       **menting section 216 of the U.S.-RMI Com-**  
11       **pact and referred to in section 462(b)(5)**  
12       **of the U.S.-RMI Compact and any alter-**  
13       **nates designated by the Government of**  
14       **the United States shall be United States**  
15       **Government officers or employees. It is**  
16       **the sense of Congress that the appointees**  
17       **should be designated from the Depart-**  
18       **ment of State, the Department of the In-**  
19       **terior, and the Department of the Treas-**  
20       **ury.**

21       **(10) The Trust Fund Committee pro-**  
22       **vided for in Article 7 of the U.S.-FSM**  
23       **Trust Fund Agreement implementing sec-**  
24       **tion 215 of the U.S.-FSM Compact shall be**  
25       **a non-profit corporation incorporated**



1       under the laws of the District of Colum-  
2       bia. To the extent that any law, rule, reg-  
3       ulation or ordinance of the District of Co-  
4       lumbia, or of any State or political sub-  
5       division thereof in which the Trust Fund  
6       Committee is incorporated or doing busi-  
7       ness, impedes or otherwise interferes  
8       with the performance of the functions of  
9       the Trust Fund Committee pursuant to  
10      this joint resolution, such law, rule, regu-  
11      lation, or ordinance shall be deemed to  
12      be preempted by this joint resolution.  
13      The Trust Fund Committee provided for  
14      in Article 7 of the U.S.-RMI Trust Fund  
15      Agreement implementing section 216 of  
16      the U.S.-RMI Compact shall be a non-  
17      profit corporation incorporated under  
18      the laws of the District of Columbia. To  
19      the extent that any law, rule, regulation  
20      or ordinance of the District of Columbia,  
21      or of any State or political subdivision  
22      thereof in which the Trust Fund Com-  
23      mittee is incorporated or doing business,  
24      impedes or otherwise interferes with the  
25      performance of the functions of the Trust

1       **Fund Committee pursuant to this joint**  
2       **resolution, such law, rule, regulation, or**  
3       **ordinance shall be deemed to be pre-**  
4       **empted by this joint resolution.**

5       **(c) JUDICIAL TRAINING.—(1) In addition to**  
6       **amounts provided under section 211(a)(4) of**  
7       **the U.S.-FSM Compact and the U.S.-RMI Com-**  
8       **pact, the President shall annually provide**  
9       **\$250,000 to the Government of the Federated**  
10      **States of Micronesia and \$50,000 to the Gov-**  
11      **ernment of the Republic of the Marshall Is-**  
12      **lands to provide training for judges and offi-**  
13      **cials of the judiciary.**

14      **(2) There is hereby authorized and appro-**  
15      **priated to the Secretary of the Interior, out of**  
16      **any funds in the Treasury not otherwise ap-**  
17      **propriated, to remain available until ex-**  
18      **pendended, for each fiscal year from 2004**  
19      **through 2023, \$300,000, as adjusted for infla-**  
20      **tion under section 217 of the U.S.-FSM Com-**  
21      **pact and section 218 of the U.S.-RMI Compact,**  
22      **to carry out the purposes of this section.**

23      **(d) CONTINUING TRUST TERRITORY AUTHOR-**  
24      **IZATION.—The authorization provided by the**  
25      **Act of June 30, 1954, as amended (68 Stat. 330)**

1 shall remain available after the effective date  
2 of the Compact with respect to the Federated  
3 States of Micronesia and the Republic of the  
4 Marshall Islands for the following purposes:

5 (1) Prior to October 1, 1986, for any  
6 purpose authorized by the Compact or  
7 the joint resolution of January 14, 1986  
8 (Public Law 99-239).

9 (2) Transition purposes, including but  
10 not limited to, completion of projects and  
11 fulfillment of commitments or obliga-  
12 tions; termination of the Trust Territory  
13 Government and termination of the High  
14 Court; health and education as a result of  
15 exceptional circumstances; ex gratia con-  
16 tributions for the populations of Bikini,  
17 Enewetak, Rongelap, and Utrik; and tech-  
18 nical assistance and training in financial  
19 management, program administration,  
20 and maintenance of infrastructure, ex-  
21 cept that, for purposes of an orderly re-  
22 duction of United States programs and  
23 services in the Federated States of Micro-  
24 nesia, the Marshall Islands, and the Re-  
25 public of Palau, United States programs

1       or services not specifically authorized by  
2       the Compact of Free Association or by  
3       other provisions of law may continue but,  
4       unless reimbursed by the respective free-  
5       ly associated state, not in excess of the  
6       following amounts:

7               (A) For fiscal year 1987, an  
8               amount not to exceed 75 per centum  
9               of the total amount appropriated for  
10              such programs for fiscal year 1986.

11             (B) For fiscal year 1988, an  
12             amount not to exceed 50 per centum  
13             of the total amount appropriated for  
14             such programs for fiscal year 1986.

15             (C) For fiscal year 1989, an  
16             amount not to exceed 25 per centum  
17             of the total amount appropriated for  
18             such programs for fiscal year 1986.

19       (e) **SURVIVABILITY.**—In furtherance of the  
20       provisions of Title Four, Article V, sections  
21       452 and 453 of the U.S.-FSM Compact and the  
22       U.S.-RMI Compact, any provisions of the U.S.-  
23       FSM Compact or the U.S.-RMI Compact which  
24       remain effective after the termination of the  
25       U.S.-FSM Compact or U.S.-RMI Compact by

1 the act of any party thereto and which are af-  
2 fected in any manner by provisions of this  
3 title shall remain subject to such provisions.

4 (f) NONCOMPLIANCE SANCTIONS; ACTIONS IN-  
5 COMPATIBLE WITH UNITED STATES AUTHORITY.—

6 The Congress expresses its understanding  
7 that the Governments of the Federated States  
8 of Micronesia and the Republic of the Mar-  
9 shall Islands will not act in a manner incom-  
10 patible with the authority and responsibility  
11 of the United States for security and defense  
12 matters in or related to the Federated States  
13 of Micronesia or the Republic of the Marshall  
14 Islands pursuant to the U.S.-FSM Compact or  
15 the U.S.-RMI Compact, including the agree-  
16 ments referred to in sections 462(a)(2) of the  
17 U.S.-FSM Compact and 462(a)(5) of the U.S.-  
18 RMI Compact. The Congress further ex-  
19 presses its intention that any such act on the  
20 part of either such Government will be  
21 viewed by the United States as a material  
22 breach of the U.S.-FSM Compact or U.S.-RMI  
23 Compact. The Government of the United  
24 States reserves the right in the event of such  
25 a material breach of the U.S.-FSM Compact by

1 **the Government of the Federated States of Mi-**  
2 **cronesia or the U.S.-RMI Compact by the Gov-**  
3 **ernment of the Republic of the Marshall Is-**  
4 **lands to take action, including (but not lim-**  
5 **ited to) the suspension in whole or in part of**  
6 **the obligations of the Government of the**  
7 **United States to that Government.**

8 **(g) CONTINUING PROGRAMS AND LAWS.—**

9 **(1) FEDERATED STATES OF MICRONESIA**  
10 **AND REPUBLIC OF THE MARSHALL ISLANDS.—**

11 **In addition to the programs and services**  
12 **set forth in section 221 of the Compact,**  
13 **and pursuant to section 222 of the Com-**  
14 **pact, the programs and services of the**  
15 **following agencies shall be made avail-**  
16 **able to the Federated States of Micro-**  
17 **nesia and to the Republic of the Marshall**  
18 **Islands:**

19 **(A) The Government of the United**  
20 **States shall continue to make avail-**  
21 **able to eligible institutions in the**  
22 **Federated States of Micronesia and**  
23 **the Republic of the Marshall Islands,**  
24 **and to students enrolled in such eligi-**  
25 **ble institutions and in institutions in**

1       the United States and its territories,  
2       for fiscal years 2004 through 2023,  
3       grants under subpart 1 of part A of  
4       title IV of the Higher Education Act  
5       of 1965 (20 U.S.C. 1070a et seq.) on the  
6       same basis that such grants continue  
7       to be available to institutions and stu-  
8       dents in the United States.

9       (B) Except as provided in clause  
10      (i), for fiscal years 2004 through 2023,  
11      the Governments of the Federated  
12      States of Micronesia and the Republic  
13      of the Marshall Islands shall not re-  
14      ceive grants under any formula-grant  
15      program administered by the Sec-  
16      retary of Education. In place of such  
17      grants, the Government of the Fed-  
18      erated States of Micronesia shall re-  
19      ceive, as a supplement to the edu-  
20      cation sector grant under section  
21      211(a)(1), \$20,018,514 annually and  
22      the Government of the Republic of  
23      the Marshall Islands shall receive, as  
24      a supplement to the education sector  
25      grant under section 211(a)(1),

1       **\$9,405,335 annually. Both of these**  
2       **supplemental amounts shall be ad-**  
3       **justed for inflation under section 217**  
4       **of the U.S.-FSM Compact and section**  
5       **218 of the U.S.-RMI Compact.**

6           **(C) The Governments of the Fed-**  
7       **erated States of Micronesia and the**  
8       **Republic of the Marshall Islands shall**  
9       **continue to be eligible for competi-**  
10       **tive grants administered by the Sec-**  
11       **retary of Education to the extent that**  
12       **such grants continue to be available**  
13       **to State and local governments in the**  
14       **United States.**

15           **(D) The Federal Emergency Man-**  
16       **agement Agency, in the following**  
17       **manner: Paragraph (6) of section**  
18       **221(a) of the U.S.-FSM Compact and**  
19       **paragraph (5) of section 221(a) of the**  
20       **U.S.-RMI Compact shall each be con-**  
21       **strued and applied as if each provi-**  
22       **sion reads as follows: “The Depart-**  
23       **ment of Homeland Security, Federal**  
24       **Emergency Management Agency dis-**  
25       **aster assistance programs and public**



1           **assistance programs for public and**  
2           **private non-profit infrastructure and**  
3           **programs provided by the United**  
4           **States Agency for International De-**  
5           **velopment, Office of Foreign Disaster**  
6           **Assistance, at levels equivalent to**  
7           **those available on the day preceding**  
8           **the effective date of the Compacts, to**  
9           **remain available until the later of—**

10                   **(i) the 10-year period begin-**  
11                   **ning on the date of enactment of**  
12                   **the Compacts; or**

13                   **(ii) the date on which the Dis-**  
14                   **aster Assistance Emergency Fund**  
15                   **referred to in section 211(d) of the**  
16                   **U.S.-FSM Compact and section**  
17                   **211(e) of the U.S.-RMI Compact**  
18                   **attains a balance of \$4,000,000.**

19           **(E) The Legal Services Corpora-**  
20           **tion.**

21           **(F) The Public Health Service.**

22           **(G) The Rural Housing Service**  
23           **(formerly, the Farmers Home Admin-**  
24           **istration) in the Marshall Islands and**  
25           **each of the four States of the Fed-**

1           erated States of Micronesia. In lieu of  
2           continuation of the program in the  
3           Federated States of Micronesia, the  
4           President may agree to transfer to  
5           the Government of the Federated  
6           States of Micronesia without cost, the  
7           portfolio of the Rural Housing Serv-  
8           ice applicable to the Federated States  
9           of Micronesia and provide such tech-  
10          nical assistance in management of the  
11          portfolio as may be requested by the  
12          Federated States of Micronesia.

13          (2) TORT CLAIMS.—The provisions of  
14          section 178 of the U.S.-FSM Compact and  
15          the U.S.-RMI Compact regarding settle-  
16          ment and payment of tort claims shall  
17          apply to employees of any Federal agency  
18          of the Government of the United States  
19          (and to any other person employed on be-  
20          half of any Federal agency of the Govern-  
21          ment of the United States on the basis of  
22          a contractual, cooperative, or similar  
23          agreement) which provides any service  
24          or carries out any other function pursu-  
25          ant to or in furtherance of any provisions

1       of the U.S.-FSM Compact or the U.S.-RMI  
2       Compact or this joint resolution, except  
3       for provisions of Title Three of the Com-  
4       pact and of the subsidiary agreements re-  
5       lated to such Title, in such area to which  
6       such Agreement formerly applied.

7           (3) PCB CLEANUP.—The programs and  
8       services of the Environmental Protection  
9       Agency regarding PCBs shall, to the ex-  
10      tent applicable, as appropriate, and in ac-  
11      cordance with applicable law, be con-  
12      strued to be made available to such is-  
13      lands.

14      (h) COLLEGE OF MICRONESIA.—Until other-  
15      wise provided by Act of Congress, or until ter-  
16      mination of the U.S.-FSM Compact and the  
17      U.S.-RMI Compact, the College of Micronesia  
18      shall retain its status as a land-grant institu-  
19      tion and its eligibility for all benefits and pro-  
20      grams available to such land-grant institu-  
21      tions.

22      (i) TRUST TERRITORY DEBTS TO U.S. FED-  
23      ERAL AGENCIES.—Neither the Government of  
24      the Federated States of Micronesia nor the  
25      Government of the Marshall Islands shall be

1 required to pay to any department, agency,  
2 independent agency, office, or instrumen-  
3 tality of the United States any amounts owed  
4 to such department, agency, independent  
5 agency, office, or instrumentality by the Gov-  
6 ernment of the Trust Territory of the Pacific  
7 Islands as of the effective date of the Com-  
8 pact. There is authorized to be appropriated  
9 such sums as may be necessary to carry out  
10 the purposes of this subsection.

11 (j) TECHNICAL ASSISTANCE.—Technical as-  
12 sistance may be provided pursuant to section  
13 224 of the U.S.-FSM Compact or the U.S.-RMI  
14 Compact by Federal agencies and institutions  
15 of the Government of the United States to the  
16 extent such assistance may be provided to  
17 States, territories, or units of local govern-  
18 ment. Such assistance by the Forest Service,  
19 the Natural Resources Conservation Service,  
20 (acting through the Resource Conservation  
21 and Development Program) the USDA Re-  
22 source Conservation and Development Pro-  
23 gram, the Fish and Wildlife Service, the Na-  
24 tional Marine Fisheries Service, the United  
25 States Coast Guard, and the Advisory Council

1 on Historic Preservation, the Department of  
2 the Interior, and other agencies providing as-  
3 sistance under the National Historic Preser-  
4 vation Act (80 Stat. 915; 16 U.S.C. 470–470t),  
5 shall be on a nonreimbursable basis. During  
6 the period the U.S.-FSM Compact and the  
7 U.S.-RMI Compact are in effect, the grant pro-  
8 grams under the National Historic Preserva-  
9 tion Act shall continue to apply to the Fed-  
10 erated States of Micronesia and the Republic  
11 of the Marshall Islands in the same manner  
12 and to the same extent as prior to the ap-  
13 proval of the Compact. Any funds provided  
14 pursuant to sections 102(a), 103(a), 103(b),  
15 103(f), 103(g), 103(h), 103(j), 105(c), 105(g),  
16 105(h), 105(i), 105(j), 105(k), 105(l), and 105(m)  
17 of this joint resolution shall be in addition to  
18 and not charged against any amounts to be  
19 paid to either the Federated States of Micro-  
20 nesia or the Republic of the Marshall Islands  
21 pursuant to the U.S.-FSM Compact, the U.S.-  
22 RMI Compact, or their related subsidiary  
23 agreements.

24 (k) PRIOR SERVICE BENEFITS PROGRAM.—  
25 Notwithstanding any other provision of law,

1 persons who on January 1, 1985, were eligible  
2 to receive payment under the Prior Service  
3 Benefits Program established within the So-  
4 cial Security System of the Trust Territory of  
5 the Pacific Islands because of their services  
6 performed for the United States Navy or the  
7 Government of the Trust Territory of the Pa-  
8 cific Islands prior to July 1, 1968, shall con-  
9 tinue to receive such payments on and after  
10 the effective date of the Compact.

11 (l) INDEFINITE LAND USE PAYMENTS.—There  
12 are authorized to be appropriated such sums  
13 as may be necessary to complete repayment  
14 by the United States of any debts owed for the  
15 use of various lands in the Federated States  
16 of Micronesia and the Marshall Islands prior  
17 to January 1, 1985.

18 (m) COMMUNICABLE DISEASE CONTROL PRO-  
19 GRAM.—There are authorized to be appro-  
20 priated for grants to the Government of the  
21 Federated States of Micronesia and the Gov-  
22 ernment of the Republic of the Marshall Is-  
23 lands, such sums as may be necessary for pur-  
24 poses of establishing or continuing programs  
25 for the control and prevention of commu-

1 nicable diseases, including (but not limited  
2 to) cholera and Hansen's Disease. The Sec-  
3 retary of the Interior shall assist the Govern-  
4 ment of the Federated States of Micronesia  
5 and the Government of the Republic of the  
6 Marshall Islands in designing and imple-  
7 menting such a program.

8 (n) USER FEES.—Any person in the Fed-  
9 erated States of Micronesia or the Republic of  
10 the Marshall Islands shall be liable for user  
11 fees, if any, for services provided in the Fed-  
12 erated States of Micronesia or the Republic of  
13 the Marshall Islands by the Government of  
14 the United States to the same extent as any  
15 person in the United States would be liable  
16 for fees, if any, for such services in the United  
17 States.

18 (o) TREATMENT OF JUDGMENTS OF COURTS  
19 OF THE FEDERATED STATES OF MICRONESIA, THE  
20 REPUBLIC OF THE MARSHALL ISLANDS, AND THE  
21 REPUBLIC OF PALAU.—No judgment, whenever  
22 issued, of a court of the Federated States of  
23 Micronesia, the Republic of the Marshall Is-  
24 lands, or the Republic of Palau, against the  
25 United States, its departments and agencies,

1 or officials of the United States or any other  
2 individuals acting on behalf of the United  
3 States within the scope of their official duty,  
4 shall be honored by the United States, or be  
5 subject to recognition or enforcement in a  
6 court in the United States, unless the judg-  
7 ment is consistent with the interpretation by  
8 the United States of international agreements  
9 relevant to the judgment. In determining the  
10 consistency of a judgment with an inter-  
11 national agreement, due regard shall be given  
12 to assurances made by the Executive Branch  
13 to the Congress of the United States regard-  
14 ing the proper interpretation of the inter-  
15 national agreement.

16 (p) INFLATION ADJUSTMENT.—As of Fiscal  
17 Year 2015, if United States Gross Domestic  
18 Product Implicit Price Deflator average for  
19 Fiscal Years 2009 through 2014 is greater than  
20 the United States Gross Domestic Product Im-  
21 plicit Price Deflator average for Fiscal Years  
22 2004 through 2008 (as reported in the Survey  
23 of Current Business or subsequent publica-  
24 tion and compiled by the Department of Inte-  
25 rior), then section 217 of the U.S.–FSM Com-



1 pact and paragraph 5 of Article II of the U.S.–  
2 FSM Fiscal Procedures Agreement and sec-  
3 tion 218 of the U.S.–RMI Compact and para-  
4 graph 5 of Article II of the U.S.–RMI Fiscal  
5 Procedures Agreement shall be construed as  
6 if “the full” appeared in place of “two-thirds  
7 of the” each place those words appear.

8 SEC. 106. CONSTRUCTION CONTRACT ASSISTANCE.

9 (a) ASSISTANCE TO U.S. FIRMS.—In order to  
10 assist the Governments of the Federated  
11 States of Micronesia and of the Republic of  
12 the Marshall Islands through private sector  
13 firms which may be awarded contracts for  
14 construction or major repair of capital infra-  
15 structure within the Federated States of Mi-  
16 cronesia or the Republic of the Marshall Is-  
17 lands, the United States shall consult with the  
18 Governments of the Federated States of Mi-  
19 cronesia and the Republic of the Marshall Is-  
20 lands with respect to any such contracts, and  
21 the United States shall enter into agreements  
22 with such firms whereby such firms will, con-  
23 sistent with applicable requirements of such  
24 Governments—

1           (1) to the maximum extent possible,  
2       employ citizens of the Federated States of  
3       Micronesia and the Republic of the Mar-  
4       shall Islands;

5           (2) to the extent that necessary skills  
6       are not possessed by citizens of the Fed-  
7       erated States of Micronesia and the Re-  
8       public of the Marshall Islands, provide on  
9       the job training, with particular empha-  
10      sis on the development of skills relating  
11      to operation of machinery and routine  
12      and preventative maintenance of machin-  
13      ery and other facilities; and

14          (3) provide specific training or other  
15      assistance in order to enable the Govern-  
16      ment to engage in long-term maintenance  
17      of infrastructure.

18   Assistance by such firms pursuant to this sec-  
19   tion may not exceed 20 percent of the amount  
20   of the contract and shall be made available  
21   only to such firms which meet the definition  
22   of United States firm under the nationality  
23   rule for suppliers of services of the Agency for  
24   International Development (hereafter in this  
25   section referred to as "United States firms").

1 **There are authorized to be appropriated such**  
2 **sums as may be necessary for the purposes of**  
3 **this subsection.**

4 **(b) AUTHORIZATION OF APPROPRIATIONS.—**

5 **There are authorized to be appropriated such**  
6 **sums as may be necessary to cover any addi-**  
7 **tional costs incurred by the Government of**  
8 **the Federated States of Micronesia or the Re-**  
9 **public of the Marshall Islands if such Govern-**  
10 **ments, pursuant to an agreement entered into**  
11 **with the United States, apply a preference on**  
12 **the award of contracts to United States firms,**  
13 **provided that the amount of such preference**  
14 **does not exceed 10 percent of the amount of**  
15 **the lowest qualified bid from a non-United**  
16 **States firm for such contract.**

17 **SEC. 107. PROHIBITION.**

18 **The provisions of chapter 11 of title 18,**  
19 **United States Code, shall apply in full to any**  
20 **individual who has served as the United**  
21 **States negotiator of amendments to the Com-**  
22 **pact or its subsidiary agreements or of related**  
23 **agreements or who is or was an officer or em-**  
24 **ployee of the Office in the Department of**  
25 **State responsible for negotiating amendments**

1 to the Compact or its subsidiary agreements  
2 or who is or was assigned or detailed to that  
3 Office or who served on the interagency  
4 group coordinating United States policy on  
5 the Compact negotiations.

6 SEC. 108. COMPENSATORY ADJUSTMENTS.

7 (a) ADDITIONAL PROGRAMS AND SERVICES.—

8 In addition to the programs and services set  
9 forth in section 221 of the U.S.–FSM Compact  
10 and the U.S.–RMI Compact, and pursuant to  
11 section 222 of the U.S.–FSM Compact and the  
12 U.S.–RMI Compact, the services and programs  
13 of the following United States agencies shall  
14 be made available to the Federated States of  
15 Micronesia and the Republic of the Marshall  
16 Islands: the Small Business Administration,  
17 Economic Development Administration, and  
18 the Rural Utilities Services (formerly Rural  
19 Electrification Administration); the programs  
20 and services of the Department of Labor  
21 under the Workforce Investment Act of 1998;  
22 the programs and services of the Department  
23 of Commerce relating to tourism and to ma-  
24 rine resource development; and the Federal  
25 Deposit Insurance Corporation, provided

1 however, that eligibility to qualify for serv-  
2 ices and programs of the Federal Deposit In-  
3 surance Corporation, shall cease to apply on  
4 September 30, 2005. Any institution qualified  
5 for Federal Deposit Insurance Corporation  
6 services and programs on or before Sep-  
7 tember 30, 2005, shall remain eligible for such  
8 programs and services for the term and pur-  
9 suant to such conditions as set forth in the  
10 Federal Program and Services Agreement de-  
11 scribed in Section 231 of the U.S.-RMI Com-  
12 pact and U.S.-FSM Compact.

13 (b) FURTHER AMOUNTS.—

14 (1) The joint resolution of January 14,  
15 1986 (Public Law 99-239) provided that  
16 the governments of the Federated States  
17 of Micronesia and the Marshall Islands  
18 may submit to Congress reports con-  
19 cerning the overall financial and eco-  
20 nomic impacts on such areas resulting  
21 from the effect of Title IV of that joint  
22 resolution upon Title Two of the Com-  
23 pact. There were authorized to be appro-  
24 priated for fiscal years beginning after  
25 September 30, 1990, such amounts as nec-

1        **essary, but not to exceed \$40 million for**  
2        **the Federated States of Micronesia and**  
3        **\$20 million for the Marshall Islands, as**  
4        **provided in appropriation acts, to further**  
5        **compensate the governments of such is-**  
6        **lands (in addition to the compensation**  
7        **provided in subsections (a) and (b) of sec-**  
8        **tion 111 of the joint resolution of January**  
9        **14, 1986 (Public Law 99-239) for adverse**  
10       **impacts, if any, on the finances and**  
11       **economies of such areas resulting from**  
12       **the effect of Title IV of that joint resolu-**  
13       **tion upon Title Two of the Compact. The**  
14       **joint resolution of January 14, 1986 (Pub-**  
15       **lic Law 99-239) further provided that at**  
16       **the end of the initial fifteen-year term of**  
17       **the Compact, should any portion of the**  
18       **total amount of funds authorized in sub-**  
19       **section 111 of that resolution not have**  
20       **been appropriated, such amount not yet**  
21       **appropriated may be appropriated, with-**  
22       **out regard to divisions between amounts**  
23       **authorized in subsection 111 for the Fed-**  
24       **erated States of Micronesia and for the**  
25       **Marshall Islands, based on either or both**

1       such government's showing of such ad-  
2       verse impact, if any, as provided in that  
3       subsection.

4               (2) The governments of the Federated  
5       States of Micronesia and the Republic of  
6       the Marshall Islands may each submit no  
7       more than one report or request for fur-  
8       ther compensation under section 111 of  
9       the joint resolution of January 14, 1986  
10      (Public Law 99-239) and any such report  
11      or request must be submitted by Sep-  
12      tember 30, 2009. Only adverse economic  
13      effect occurring during the initial fifteen-  
14      year term of the Compact may be consid-  
15      ered for compensation under section 111  
16      of the joint resolution of January 14, 1986  
17      (Public Law 99-239).

18   SEC. 109. AUTHORIZATION AND CONTINUING APPROPRIA-  
19                                   TION.

20       (a) There are authorized and appro-  
21      priated to the Department of the Interior, out  
22      of any money in the Treasury not otherwise  
23      appropriated, to remain available until ex-  
24      pended, such sums as are necessary to carry  
25      out the purposes of sections 211, 212(b), 215,

1 and 217 of the U.S.-FSM Compact and sections  
2 211, 212, 213(b), 216, and 218 of the U.S.-RMI  
3 Compact, in this and subsequent years.

4 (b) There are authorized to be appro-  
5 priated to the Departments, agencies, and in-  
6 strumentalities named in paragraphs (1) and  
7 (3) through (6) of section 221(a) of the U.S.-  
8 FSM Compact and paragraphs (1) and (3)  
9 through (5) of section 221(a) of the U.S.-RMI  
10 Compact, such sums as are necessary to carry  
11 out the purposes of sections 221(a) of the U.S.-  
12 FSM Compact and the U.S.-RMI Compact, to  
13 remain available until expended.

14 SEC. 110. PAYMENT OF CITIZENS OF THE FEDERATED  
15 STATES OF MICRONESIA, THE REPUBLIC OF  
16 THE MARSHALL ISLANDS, AND THE REPUB-  
17 LIC OF PALAU EMPLOYED BY THE GOVERN-  
18 MENT OF THE UNITED STATES IN THE CONTI-  
19 NENTAL UNITED STATES.

20 Section 605 of Public Law 107-67 (the  
21 Treasury and General Government Appro-  
22 priations Act, 2002; 5 U.S.C. 3101 note) is  
23 amended by striking “or the Republic of the  
24 Philippines,” in the last sentence and insert-  
25 ing the following: “the Republic of the Phil-



1ippines, the Federated States of Micronesia,  
2 the Republic of the Marshall Islands, or the  
3 Republic of Palau.”.

4 **TITLE II—COMPACTS OF FREE**  
5 **ASSOCIATION WITH THE FED-**  
6 **ERATED STATES OF MICRO-**  
7 **NESIA AND THE REPUBLIC OF**  
8 **THE MARSHALL ISLANDS**

9 **SEC. 201. COMPACTS OF FREE ASSOCIATION, AS AMENDED**  
10 **BETWEEN THE GOVERNMENT OF THE**  
11 **UNITED STATES OF AMERICA AND THE GOV-**  
12 **ERNMENT OF THE FEDERATED STATES OF**  
13 **MICRONESIA AND BETWEEN THE GOVERN-**  
14 **MENT OF THE UNITED STATES OF AMERICA**  
15 **AND THE GOVERNMENT OF THE REPUBLIC**  
16 **OF THE MARSHALL ISLANDS.**

17 **(a) COMPACT OF FREE ASSOCIATION, AS**  
18 **AMENDED, BETWEEN THE GOVERNMENT OF THE**  
19 **UNITED STATES OF AMERICA AND THE GOVERN-**  
20 **MENT OF THE FEDERATED STATES OF MICRO-**  
21 **NESIA.—**

1                   **PREAMBLE**

2   **THE GOVERNMENT OF THE UNITED**  
3       **STATES OF AMERICA AND THE GOV-**  
4       **ERNMENT OF THE FEDERATED**  
5       **STATES OF MICRONESIA**

6       **Affirming that their Governments and**  
7   **their relationship as Governments are found-**  
8   **ed upon respect for human rights and funda-**  
9   **mental freedoms for all, and that the people**  
10 **of the Federated States of Micronesia have**  
11 **the right to enjoy self-government; and**

12       **Affirming the common interests of the**  
13 **United States of America and the Federated**  
14 **States of Micronesia in creating and main-**  
15 **taining their close and mutually beneficial re-**  
16 **lationship through the free and voluntary as-**  
17 **sociation of their respective Governments;**  
18 **and**

19       **Affirming the interest of the Government**  
20 **of the United States in promoting the eco-**  
21 **nomic advancement and budgetary self-reli-**  
22 **ance of the Federated States of Micronesia;**  
23 **and**

24       **Recognizing that their relationship until**  
25 **the entry into force on November 3, 1986 of**

1 the Compact was based upon the Inter-  
2 national Trusteeship System of the United Na-  
3 tions Charter, and in particular Article 76 of  
4 the Charter; and that pursuant to Article 76  
5 of the Charter, the people of the Federated  
6 States of Micronesia have progressively devel-  
7 oped their institutions of self-government,  
8 and that in the exercise of their sovereign  
9 right to self-determination they, through  
10 their freely-expressed wishes, have adopted a  
11 Constitution appropriate to their particular  
12 circumstances; and

13 Recognizing that the Compact reflected  
14 their common desire to terminate the Trust-  
15 eeship and establish a government-to-govern-  
16 ment relationship which was in accordance  
17 with the new political status based on the  
18 freely expressed wishes of the people of the  
19 Federated States of Micronesia and appro-  
20 priate to their particular circumstances; and

21 Recognizing that the people of the Fed-  
22 erated States of Micronesia have and retain  
23 their sovereignty and their sovereign right to  
24 self-determination and the inherent right to  
25 adopt and amend their own Constitution and

1 form of government and that the approval of  
2 the entry of the Government of the Federated  
3 States of Micronesia into the Compact by the  
4 people of the Federated States of Micronesia  
5 constituted an exercise of their sovereign  
6 right to self-determination; and

7 Recognizing the common desire of the  
8 people of the United States and the people of  
9 the Federated States of Micronesia to main-  
10 tain their close government-to-government  
11 relationship, the United States and the Fed-  
12 erated States of Micronesia:

13 NOW, THEREFORE, MUTUALLY AGREE  
14 to continue and strengthen their relationship  
15 of free association by amending the Compact,  
16 which continues to provide a full measure of  
17 self-government for the people of the Fed-  
18 erated States of Micronesia; and

19 FURTHER AGREE that the relationship  
20 of free association derives from and is as set  
21 forth in this Compact, as amended, by the  
22 Governments of the United States and the  
23 Federated States of Micronesia; and that, dur-  
24 ing such relationship of free association, the  
25 respective rights and responsibilities of the

1 **Government of the United States and the Gov-**  
2 **ernment of the Federated States of Micro-**  
3 **nesia in regard to this relationship of free as-**  
4 **sociation derive from and are as set forth in**  
5 **this Compact, as amended.**

6 **TITLE ONE**

7 **GOVERNMENTAL RELATIONS**

8 **Article I**

9 **Self-Government**

10 **Section 111**

11 **The people of the Federated States of Mi-**  
12 **cronesia, acting through the Government es-**  
13 **tablished under their Constitution, are self-**  
14 **governing.**

15 **Article II**

16 **Foreign Affairs**

17 **Section 121**

18 **(a) The Government of the Federated**  
19 **States of Micronesia has the capacity to con-**  
20 **duct foreign affairs and shall do so in its own**  
21 **name and right, except as otherwise provided**  
22 **in this Compact, as amended.**

23 **(b) The foreign affairs capacity of the Gov-**  
24 **ernment of the Federated States of Micro-**  
25 **nesia includes:**

1           (1) the conduct of foreign affairs re-  
2           lating to law of the sea and marine re-  
3           sources matters, including the har-  
4           vesting, conservation, exploration or ex-  
5           ploitation of living and non-living re-  
6           sources from the sea, seabed or subsoil to  
7           the full extent recognized under inter-  
8           national law;

9           (2) the conduct of its commercial, dip-  
10          lomatic, consular, economic, trade, bank-  
11          ing, postal, civil aviation, communica-  
12          tions, and cultural relations, including  
13          negotiations for the receipt of develop-  
14          mental loans and grants and the conclu-  
15          sion of arrangements with other govern-  
16          ments and international and intergovern-  
17          mental organizations, including any mat-  
18          ters specially benefiting its individual  
19          citizens.

20          (c) The Government of the United States  
21          recognizes that the Government of the Fed-  
22          erated States of Micronesia has the capacity  
23          to enter into, in its own name and right, trea-  
24          ties and other international agreements with

1 governments and regional and international  
2 organizations.

3 (d) In the conduct of its foreign affairs,  
4 the Government of the Federated States of Mi-  
5 cronesia confirms that it shall act in accord-  
6 ance with principles of international law and  
7 shall settle its international disputes by  
8 peaceful means.

9 **Section 122**

10 The Government of the United States  
11 shall support applications by the Government  
12 of the Federated States of Micronesia for  
13 membership or other participation in re-  
14 gional or international organizations as may  
15 be mutually agreed.

16 **Section 123**

17 (a) In recognition of the authority and re-  
18 sponsibility of the Government of the United  
19 States under Title Three, the Government of  
20 the Federated States of Micronesia shall con-  
21 sult, in the conduct of its foreign affairs, with  
22 the Government of the United States.

23 (b) In recognition of the foreign affairs ca-  
24 pacity of the Government of the Federated  
25 States of Micronesia, the Government of the

1 United States, in the conduct of its foreign af-  
2 fairs, shall consult with the Government of  
3 the Federated States of Micronesia on matters  
4 that the Government of the United States re-  
5 gards as relating to or affecting the Govern-  
6 ment of the Federated States of Micronesia.

7 **Section 124**

8       The Government of the United States may  
9 assist or act on behalf of the Government of  
10 the Federated States of Micronesia in the area  
11 of foreign affairs as may be requested and mu-  
12 tually agreed from time to time. The Govern-  
13 ment of the United States shall not be respon-  
14 sible to third parties for the actions of the  
15 Government of the Federated States of Micro-  
16 nesia undertaken with the assistance or  
17 through the agency of the Government of the  
18 United States pursuant to this section unless  
19 expressly agreed.

20 **Section 125**

21       The Government of the United States  
22 shall not be responsible for nor obligated by  
23 any actions taken by the Government of the  
24 Federated States of Micronesia in the area of



1 foreign affairs, except as may from time to  
2 time be expressly agreed.

3 **Section 126**

4       At the request of the Government of the  
5 Federated States of Micronesia and subject to  
6 the consent of the receiving state, the Govern-  
7 ment of the United States shall extend con-  
8 sular assistance on the same basis as for citi-  
9 zens of the United States to citizens of the  
10 Federated States of Micronesia for travel out-  
11 side the Federated States of Micronesia, the  
12 United States and its territories and posses-  
13 sions.

14 **Section 127**

15       Except as otherwise provided in this Com-  
16 pact, as amended, or its related agreements,  
17 all obligations, responsibilities, rights and  
18 benefits of the Government of the United  
19 States as Administering Authority which re-  
20 sulted from the application pursuant to the  
21 Trusteeship Agreement of any treaty or other  
22 international agreement to the Trust Terri-  
23 tory of the Pacific Islands on November 2,  
24 1986, are, as of that date, no longer assumed

1 and enjoyed by the Government of the United  
2 States.

### 3 Article III

#### 4 Communications

##### 5 Section 131

6 (a) The Government of the Federated  
7 States of Micronesia has full authority and re-  
8 sponsibility to regulate its domestic and for-  
9 eign communications, and the Government of  
10 the United States shall provide communica-  
11 tions assistance as mutually agreed.

12 (b) On May 24, 1993, the Government of  
13 the Federated States of Micronesia elected to  
14 undertake all functions previously performed  
15 by the Government of the United States with  
16 respect to domestic and foreign communica-  
17 tions, except for those functions set forth in  
18 a separate agreement entered into pursuant  
19 to this section of the Compact, as amended.

##### 20 Section 132

21 The Government of the Federated States  
22 of Micronesia shall permit the Government of  
23 the United States to operate telecommuni-  
24 cations services in the Federated States of Mi-  
25 cronesia to the extent necessary to fulfill the

1 obligations of the Government of the United  
2 States under this Compact, as amended, in ac-  
3 cordance with the terms of separate agree-  
4 ments entered into pursuant to this section of  
5 the Compact, as amended.

6 **Article IV**

7 **Immigration**

8 **Section 141**

9 (a) In furtherance of the special and  
10 unique relationship that exists between the  
11 United States and the Federated States of Mi-  
12 cronesia, under the Compact, as amended,  
13 any person in the following categories may be  
14 admitted to lawfully engage in occupations,  
15 and establish residence as a nonimmigrant in  
16 the United States and its territories and pos-  
17 sessions (the “United States”) without regard  
18 to paragraph (5) or (7)(B)(i)(II) of section  
19 212(a) of the Immigration and Nationality Act,  
20 as amended, 8 U.S.C. 1182(a)(5) or (7)(B)(i)(II):

21 (1) a person who, on November 2,  
22 1986, was a citizen of the Trust Territory  
23 of the Pacific Islands, as defined in Title  
24 53 of the Trust Territory Code in force on  
25 January 1, 1979, and has become and re-

1        **mains a citizen of the Federated States of**  
2        **Micronesia;**

3            **(2) a person who acquires the citizen-**  
4        **ship of the Federated States of Micro-**  
5        **nesia at birth, on or after the effective**  
6        **date of the Constitution of the Federated**  
7        **States of Micronesia;**

8            **(3) an immediate relative of a person**  
9        **referred to in paragraphs (1) or (2) of this**  
10       **section, provided that such immediate**  
11       **relative is a naturalized citizen of the**  
12       **Federated States of Micronesia who has**  
13       **been an actual resident there for not less**  
14       **than five years after attaining such natu-**  
15       **ralization and who holds a certificate of**  
16       **actual residence, and further provided,**  
17       **that, in the case of a spouse, such spouse**  
18       **has been married to the person referred**  
19       **to in paragraph (1) or (2) of this section**  
20       **for at least five years, and further pro-**  
21       **vided, that the Government of the United**  
22       **States is satisfied that such naturalized**  
23       **citizen meets the requirement of sub-**  
24       **section (b) of section 104 of Public Law**  
25       **99-239 as it was in effect on the day prior**

1 to the effective date of this Compact, as  
2 amended;

3 (4) a naturalized citizen of the Fed-  
4 erated States of Micronesia who was an  
5 actual resident there for not less than  
6 five years after attaining such naturaliza-  
7 tion and who satisfied these require-  
8 ments as of April 30, 2003, who continues  
9 to be an actual resident and holds a cer-  
10 tificate of actual residence, and whose  
11 name is included in a list furnished by  
12 the Government of the Federated States  
13 of Micronesia to the Government of the  
14 United States no later than the effective  
15 date of the Compact, as amended, in form  
16 and content acceptable to the Govern-  
17 ment of the United States, provided, that  
18 the Government of the United States is  
19 satisfied that such naturalized citizen  
20 meets the requirement of subsection (b)  
21 of section 104 of Public Law 99-239 as it  
22 was in effect on the day prior to the ef-  
23 fective date of this Compact, as amended;  
24 or

1           **(5) an immediate relative of a citizen**  
2           **of the Federated States of Micronesia, re-**  
3           **gardless of the immediate relative's coun-**  
4           **try of citizenship or period of residence**  
5           **in the Federated States of Micronesia, if**  
6           **the citizen of the Federated States of Mi-**  
7           **cronesia is serving on active duty in any**  
8           **branch of the United States Armed**  
9           **Forces, or in the active reserves.**

10          **(b) Notwithstanding subsection (a) of this**  
11       **section, a person who is coming to the United**  
12       **States pursuant to an adoption outside the**  
13       **United States, or for the purpose of adoption**  
14       **in the United States, is ineligible for admis-**  
15       **sion under the Compact and the Compact, as**  
16       **amended. This subsection shall apply to any**  
17       **person who is or was an applicant for admis-**  
18       **sion to the United States on or after March 1,**  
19       **2003, including any applicant for admission in**  
20       **removal proceedings (including appellate**  
21       **proceedings) on or after March 1, 2003, re-**  
22       **gardless of the date such proceedings were**  
23       **commenced. This subsection shall have no ef-**  
24       **fect on the ability of the Government of the**  
25       **United States or any United States State or**

1 local government to commence or otherwise  
2 take any action against any person or entity  
3 who has violated any law relating to the adop-  
4 tion of any person.

5 (c) Notwithstanding subsection (a) of this  
6 section, no person who has been or is granted  
7 citizenship in the Federated States of Micro-  
8 nesia, or has been or is issued a Federated  
9 States of Micronesia passport pursuant to any  
10 investment, passport sale, or similar program  
11 has been or shall be eligible for admission to  
12 the United States under the Compact or the  
13 Compact, as amended.

14 (d) A person admitted to the United States  
15 under the Compact, or the Compact, as  
16 amended, shall be considered to have the per-  
17 mission of the Government of the United  
18 States to accept employment in the United  
19 States. An unexpired Federated States of Mi-  
20 cronesia passport with unexpired documenta-  
21 tion issued by the Government of the United  
22 States evidencing admission under the Com-  
23 pact or the Compact, as amended, shall be  
24 considered to be documentation establishing  
25 identity and employment authorization under

1 section 274A(b)(1)(B) of the Immigration and  
2 Nationality Act, as amended, 8 U.S.C.  
3 1324a(b)(1)(B). The Government of the United  
4 States will take reasonable and appropriate  
5 steps to implement and publicize this provi-  
6 sion, and the Government of the Federated  
7 States of Micronesia will also take reasonable  
8 and appropriate steps to publicize this provi-  
9 sion.

10 (e) For purposes of the Compact and the  
11 Compact, as amended:

12 (1) the term “residence” with respect  
13 to a person means the person’s principal,  
14 actual dwelling place in fact, without re-  
15 gard to intent, as provided in section  
16 101(a)(33) of the Immigration and Nation-  
17 ality Act, as amended, 8 U.S.C.  
18 1101(a)(33), and variations of the term  
19 “residence,” including “resident” and “re-  
20 side,” shall be similarly construed;

21 (2) the term “actual residence” means  
22 physical presence in the Federated States  
23 of Micronesia during eighty-five percent  
24 of the five-year period of residency re-  
25 quired by section 141(a)(3) and (4);



1           (3) the term “certificate of actual resi-  
2           dence” means a certificate issued to a  
3           naturalized citizen by the Government of  
4           the Federated States of Micronesia stat-  
5           ing that the citizen has complied with the  
6           actual residence requirement of section  
7           141(a)(3) or (4);

8           (4) the term “nonimmigrant” means  
9           an alien who is not an “immigrant” as de-  
10          fined in section 101(a)(15) of such Act, 8  
11          U.S.C. 1101(a)(15); and

12          (5) the term “immediate relative”  
13          means a spouse, or unmarried son or un-  
14          married daughter less than 21 years of  
15          age.

16          (f) The Immigration and Nationality Act,  
17          as amended, shall apply to any person admit-  
18          ted or seeking admission to the United States  
19          (other than a United States possession or ter-  
20          ritory where such Act does not apply) under  
21          the Compact or the Compact, as amended,  
22          and nothing in the Compact or the Compact,  
23          as amended, shall be construed to limit, pre-  
24          clude, or modify the applicability of, with re-  
25          spect to such person:

1           (1) any ground of inadmissibility or  
2           deportability under such Act (except sec-  
3           tions 212(a)(5) and 212(a)(7)(B)(i)(II) of  
4           such Act, as provided in subsection (a) of  
5           this section), and any defense thereto,  
6           provided that, section 237(a)(5) of such  
7           Act shall be construed and applied as if it  
8           reads as follows: “any alien who has been  
9           admitted under the Compact, or the Com-  
10          pact, as amended, who cannot show that  
11          he or she has sufficient means of support  
12          in the United States, is deportable”;

13          (2) the authority of the Government  
14          of the United States under section  
15          214(a)(1) of such Act to provide that ad-  
16          mission as a nonimmigrant shall be for  
17          such time and under such conditions as  
18          the Government of the United States may  
19          by regulations prescribe;

20          (3) Except for the treatment of cer-  
21          tain documentation for purposes of sec-  
22          tion 274A(b)(1)(B) of such Act as provided  
23          by subsection (d) of this section of the  
24          Compact, as amended, any requirement

1       under section 274A, including but not  
2       limited to section 274A(b)(1)(E);

3           (4) Section 643 of the Illegal Immigra-  
4       tion Reform and Immigrant Responsi-  
5       bility Act of 1996, Public Law 104–208,  
6       and actions taken pursuant to section  
7       643; and

8           (5) the authority of the Government  
9       of the United States otherwise to admin-  
10      ister and enforce the Immigration and  
11      Nationality Act, as amended, or other  
12      United States law.

13      (g) Any authority possessed by the Gov-  
14      ernment of the United States under this sec-  
15      tion of the Compact or the Compact, as  
16      amended, may also be exercised by the Gov-  
17      ernment of a territory or possession of the  
18      United States where the Immigration and Na-  
19      tionality Act, as amended, does not apply, to  
20      the extent such exercise of authority is lawful  
21      under a statute or regulation of such territory  
22      or possession that is authorized by the laws  
23      of the United States.

24      (h) Subsection (a) of this section does not  
25      confer on a citizen of the Federated States of

1 Micronesia the right to establish the resi-  
2 dence necessary for naturalization under the  
3 Immigration and Nationality Act, as amended,  
4 or to petition for benefits for alien relatives  
5 under that Act. Subsection (a) of this section,  
6 however, shall not prevent a citizen of the  
7 Federated States of Micronesia from other-  
8 wise acquiring such rights or lawful perma-  
9 nent resident alien status in the United  
10 States.

11 **Section 142**

12       (a) Any citizen or national of the United  
13 States may be admitted, to lawfully engage in  
14 occupations, and reside in the Federated  
15 States of Micronesia, subject to the rights of  
16 the Government of the Federated States of Mi-  
17 cronesia to deny entry to or deport any such  
18 citizen or national as an undesirable alien.  
19 Any determination of inadmissibility or de-  
20 portability shall be based on reasonable statu-  
21 tory grounds and shall be subject to appro-  
22 priate administrative and judicial review  
23 within the Federated States of Micronesia. If  
24 a citizen or national of the United States is a  
25 spouse of a citizen of the Federated States of

1   **Micronesia, the Government of the Federated**  
2   **States of Micronesia shall allow the United**  
3   **States citizen spouse to establish residence.**  
4   **Should the Federated States of Micronesia cit-**  
5   **izen spouse predecease the United States cit-**  
6   **izen spouse during the marriage, the Govern-**  
7   **ment of the Federated States of Micronesia**  
8   **shall allow the United States citizen spouse to**  
9   **continue to reside in the Federated States of**  
10   **Micronesia.**

11       **(b) In enacting any laws or imposing any**  
12   **requirements with respect to citizens and na-**  
13   **tionals of the United States entering the Fed-**  
14   **erated States of Micronesia under subsection**  
15   **(a) of this section, including any grounds of**  
16   **inadmissibility or deportability, the Govern-**  
17   **ment of the Federated States of Micronesia**  
18   **shall accord to such citizens and nationals of**  
19   **the United States treatment no less favorable**  
20   **than that accorded to citizens of other coun-**  
21   **tries.**

22       **(c) Consistent with subsection (a) of this**  
23   **section, with respect to citizens and nationals**  
24   **of the United States seeking to engage in em-**  
25   **ployment or invest in the Federated States of**

1 Micronesia, the Government of the Federated  
2 States of Micronesia shall adopt immigration-  
3 related procedures no less favorable than  
4 those adopted by the Government of the  
5 United States with respect to citizens of the  
6 Federated States of Micronesia seeking em-  
7 ployment in the United States.

8 **Section 143**

9       Any person who relinquishes, or other-  
10 wise loses, his United States nationality or  
11 citizenship, or his Federated States of Micro-  
12 nesia citizenship, shall be ineligible to receive  
13 the privileges set forth in sections 141 and  
14 142. Any such person may apply for admission  
15 to the United States or the Federated States  
16 of Micronesia, as the case may be, in accord-  
17 ance with any other applicable laws of the  
18 United States or the Federated States of Mi-  
19 cronesia relating to immigration of aliens  
20 from other countries. The laws of the Fed-  
21 erated States of Micronesia or the United  
22 States, as the case may be, shall dictate the  
23 terms and conditions of any such person's  
24 stay.

1 **Article V**  
2 **Representation**

3 **Section 151**

4 **Relations between the Government of the**  
5 **United States and the Government of the Fed-**  
6 **erated States of Micronesia shall be con-**  
7 **ducted in accordance with the Vienna Con-**  
8 **vention on Diplomatic Relations. In addition**  
9 **to diplomatic missions and representation,**  
10 **the Governments may establish and maintain**  
11 **other offices and designate other representa-**  
12 **tives on terms and in locations as may be mu-**  
13 **tually agreed.**

14 **Section 152**

15 **(a) Any citizen or national of the United**  
16 **States who, without authority of the United**  
17 **States, acts as the agent of the Government of**  
18 **the Federated States of Micronesia with re-**  
19 **gard to matters specified in the provisions of**  
20 **the Foreign Agents Registration Act of 1938,**  
21 **as amended (22 U.S.C. 611 et seq.), that apply**  
22 **with respect to an agent of a foreign principal**  
23 **shall be subject to the requirements of such**  
24 **Act. Failure to comply with such require-**  
25 **ments shall subject such citizen or national to**

1 the same penalties and provisions of law as  
2 apply in the case of the failure of such an  
3 agent of a foreign principal to comply with  
4 such requirements. For purposes of the For-  
5 eign Agents Registration Act of 1938, the Fed-  
6 erated States of Micronesia shall be consid-  
7 ered to be a foreign country.

8 (b) Subsection (a) of this section shall not  
9 apply to a citizen or national of the United  
10 States employed by the Government of the  
11 Federated States of Micronesia with respect  
12 to whom the Government of the Federated  
13 States of Micronesia from time to time cer-  
14 tifies to the Government of the United States  
15 that such citizen or national is an employee  
16 of the Federated States of Micronesia whose  
17 principal duties are other than those matters  
18 specified in the Foreign Agents Registration  
19 Act of 1938, as amended, that apply with re-  
20 spect to an agent of a foreign principal. The  
21 agency or officer of the United States receiv-  
22 ing such certifications shall cause them to be  
23 filed with the Attorney General, who shall  
24 maintain a publicly available list of the per-  
25 sons so certified.



1 **Article VI**  
2 **Environmental Protection**

3 **Section 161**

4 **The Governments of the United States**  
5 **and the Federated States of Micronesia de-**  
6 **clare that it is their policy to promote efforts**  
7 **to prevent or eliminate damage to the envi-**  
8 **ronment and biosphere and to enrich under-**  
9 **standing of the natural resources of the Fed-**  
10 **erated States of Micronesia. In order to carry**  
11 **out this policy, the Government of the United**  
12 **States and the Government of the Federated**  
13 **States of Micronesia agree to the following**  
14 **mutual and reciprocal undertakings.**

15 **(a) The Government of the United States:**

16 **(1) shall continue to apply the envi-**  
17 **ronmental controls in effect on November**  
18 **2, 1986 to those of its continuing activi-**  
19 **ties subject to section 161(a)(2), unless**  
20 **and until those controls are modified**  
21 **under sections 161(a)(3) and 161(a)(4);**

22 **(2) shall apply the National Environ-**  
23 **mental Policy Act of 1969, 83 Stat. 852, 42**  
24 **U.S.C. 4321 et seq., to its activities under**  
25 **the Compact, as amended, and its related**

1       **agreements as if the Federated States of**  
2       **Micronesia were the United States;**

3           **(3) shall comply also, in the conduct**  
4       **of any activity requiring the preparation**  
5       **of an Environmental Impact Statement**  
6       **under section 161(a)(2), with standards**  
7       **substantively similar to those required by**  
8       **the following laws of the United States,**  
9       **taking into account the particular envi-**  
10      **ronment of the Federated States of Mi-**  
11      **cronesia: the Endangered Species Act of**  
12      **1973, as amended, 87 Stat. 884, 16 U.S.C.**  
13      **1531 et seq.; the Clean Air Act, as amend-**  
14      **ed, 77 Stat. 392, 42 U.S.C. Supp. 7401 et**  
15      **seq.; the Clean Water Act (Federal Water**  
16      **Pollution Control Act), as amended, 86**  
17      **Stat. 896, 33 U.S.C. 1251 et seq.; Title I of**  
18      **the Marine Protection, Research and**  
19      **Sanctuaries Act of 1972 (the Ocean**  
20      **Dumping Act), 33 U.S.C. 1411 et seq.; the**  
21      **Toxic Substances Control Act, as amend-**  
22      **ed, 15 U.S.C. 2601 et seq.; the Solid Waste**  
23      **Disposal Act, as amended, 42 U.S.C. 6901**  
24      **et seq.; and such other environmental**  
25      **protection laws of the United States and**

1       of the Federated States of Micronesia, as  
2       may be mutually agreed from time to  
3       time with the Government of the Fed-  
4       erated States of Micronesia; and

5           (4) shall develop, prior to conducting  
6       any activity requiring the preparation of  
7       an Environmental Impact Statement  
8       under section 161(a)(2), written standards  
9       and procedures, as agreed with the Gov-  
10      ernment of the Federated States of Micro-  
11      nesia, to implement the substantive pro-  
12      visions of the laws made applicable to  
13      U.S. Government activities in the Fed-  
14      erated States of Micronesia, pursuant to  
15      section 161(a)(3).

16      (b) The Government of the Federated  
17      States of Micronesia shall continue to develop  
18      and implement standards and procedures to  
19      protect its environment. As a reciprocal obli-  
20      gation to the undertakings of the Government  
21      of the United States under this Article, the  
22      Federated States of Micronesia, taking into  
23      account its particular environment, shall con-  
24      tinue to develop and implement standards for  
25      environmental protection substantively simi-

1 lar to those required of the Government of the  
2 United States by section 161(a)(3) prior to its  
3 conducting activities in the Federated States  
4 of Micronesia, substantively equivalent to ac-  
5 tivities conducted there by the Government of  
6 the United States and, as a further reciprocal  
7 obligation, shall enforce those standards.

8 (c) Section 161(a), including any standard  
9 or procedure applicable thereunder, and sec-  
10 tion 161(b) may be modified or superseded in  
11 whole or in part by agreement of the Govern-  
12 ment of the United States and the Govern-  
13 ment of the Federated States of Micronesia.

14 (d) In the event that an Environmental  
15 Impact Statement is no longer required under  
16 the laws of the United States for major Fed-  
17 eral actions significantly affecting the quality  
18 of the human environment, the regulatory re-  
19 gime established under sections 161(a)(3) and  
20 161(a)(4) shall continue to apply to such ac-  
21 tivities of the Government of the United  
22 States until amended by mutual agreement.

23 (e) The President of the United States may  
24 exempt any of the activities of the Govern-  
25 ment of the United States under this Com-

1 pact, as amended, and its related agreements  
2 from any environmental standard or proce-  
3 dure which may be applicable under sections  
4 161(a)(3) and 161(a)(4) if the President deter-  
5 mines it to be in the paramount interest of the  
6 Government of the United States to do so,  
7 consistent with Title Three of this Compact,  
8 as amended, and the obligations of the Gov-  
9 ernment of the United States under inter-  
10 national law. Prior to any decision pursuant  
11 to this subsection, the views of the Govern-  
12 ment of the Federated States of Micronesia  
13 shall be sought and considered to the extent  
14 practicable. If the President grants such an  
15 exemption, to the extent practicable, a report  
16 with his reasons for granting such exemption  
17 shall be given promptly to the Government of  
18 the Federated States of Micronesia.

19 (f) The laws of the United States referred  
20 to in section 161(a)(3) shall apply to the activi-  
21 ties of the Government of the United States  
22 under this Compact, as amended, and its re-  
23 lated agreements only to the extent provided  
24 for in this section.

25 Section 162

1       **The Government of the Federated States**  
2 **of Micronesia may bring an action for judicial**  
3 **review of any administrative agency action or**  
4 **any activity of the Government of the United**  
5 **States pursuant to section 161(a) for enforce-**  
6 **ment of the obligations of the Government of**  
7 **the United States arising thereunder. The**  
8 **United States District Court for the District of**  
9 **Hawaii and the United States District Court**  
10 **for the District of Columbia shall have juris-**  
11 **diction over such action or activity, and over**  
12 **actions brought under section 172(b) which**  
13 **relate to the activities of the Government of**  
14 **the United States and its officers and employ-**  
15 **ees, governed by section 161, provided that:**

16           **(a) Such actions may only be civil ac-**  
17 **tions for any appropriate civil relief**  
18 **other than punitive damages against the**  
19 **Government of the United States or,**  
20 **where required by law, its officers in**  
21 **their official capacity; no criminal ac-**  
22 **tions may arise under this section.**

23           **(b) Actions brought pursuant to this**  
24 **section may be initiated only by the Gov-**

1        **ernment of the Federated States of Micro-**  
2        **nesia.**

3            **(c) Administrative agency actions**  
4        **arising under section 161 shall be re-**  
5        **viewed pursuant to the standard of judi-**  
6        **cial review set forth in 5 U.S.C. 706.**

7            **(d) The United States District Court**  
8        **for the District of Hawaii and the United**  
9        **States District Court for the District of**  
10       **Columbia shall have jurisdiction to issue**  
11       **all necessary processes, and the Govern-**  
12       **ment of the United States agrees to sub-**  
13       **mit itself to the jurisdiction of the court;**  
14       **decisions of the United States District**  
15       **Court shall be reviewable in the United**  
16       **States Court of Appeals for the Ninth Cir-**  
17       **cuit or the United States Court of Ap-**  
18       **peals for the District of Columbia, respec-**  
19       **tively, or in the United States Supreme**  
20       **Court as provided by the laws of the**  
21       **United States.**

22           **(e) The judicial remedy provided for**  
23        **in this section shall be the exclusive rem-**  
24        **edy for the judicial review or enforce-**  
25        **ment of the obligations of the Govern-**

1        **ment of the United States under this Arti-**  
2        **cle and actions brought under section**  
3        **172(b) which relate to the activities of the**  
4        **Government of the United States and its**  
5        **officers and employees governed by sec-**  
6        **tion 161.**

7            **(f) In actions pursuant to this section,**  
8        **the Government of the Federated States**  
9        **of Micronesia shall be treated as if it**  
10       **were a United States citizen.**

11 **Section 163**

12        **(a) For the purpose of gathering data nec-**  
13       **essary to study the environmental effects of**  
14       **activities of the Government of the United**  
15       **States subject to the requirements of this Ar-**  
16       **ticle, the Government of the Federated States**  
17       **of Micronesia shall be granted access to facili-**  
18       **ties operated by the Government of the**  
19       **United States in the Federated States of Mi-**  
20       **cronesia, to the extent necessary for this pur-**  
21       **pose, except to the extent such access would**  
22       **unreasonably interfere with the exercise of**  
23       **the authority and responsibility of the Gov-**  
24       **ernment of the United States under Title**  
25       **Three.**



1       **(b) The Government of the United States,**  
2 **in turn, shall be granted access to the Fed-**  
3 **erated States of Micronesia for the purpose of**  
4 **gathering data necessary to discharge its obli-**  
5 **gations under this Article, except to the ex-**  
6 **tent such access would unreasonably inter-**  
7 **fere with the exercise of the authority and re-**  
8 **sponsibility of the Government of the Fed-**  
9 **erated States of Micronesia under Title One,**  
10 **and to the extent necessary for this purpose**  
11 **shall be granted access to documents and**  
12 **other information to the same extent similar**  
13 **access is provided the Government of the Fed-**  
14 **erated States of Micronesia under the Free-**  
15 **dom of Information Act, 5 U.S.C. 552.**

16       **(c) The Government of the Federated**  
17 **States of Micronesia shall not impede efforts**  
18 **by the Government of the United States to**  
19 **comply with applicable standards and proce-**  
20 **dures.**

## 21                               **Article VII**

### 22                               **General Legal Provisions**

#### 23       **Section 171**

24       **Except as provided in this Compact, as**  
25 **amended, or its related agreements, the appli-**

1 cation of the laws of the United States to the  
2 Trust Territory of the Pacific Islands by vir-  
3 tue of the Trusteeship Agreement ceased with  
4 respect to the Federated States of Micronesia  
5 on November 3, 1986, the date the Compact  
6 went into effect.

7 **Section 172**

8       (a) Every citizen of the Federated States  
9 of Micronesia who is not a resident of the  
10 United States shall enjoy the rights and rem-  
11 edies under the laws of the United States en-  
12 joyed by any non-resident alien.

13       (b) The Government of the Federated  
14 States of Micronesia and every citizen of the  
15 Federated States of Micronesia shall be con-  
16 sidered to be a “person” within the meaning  
17 of the Freedom of Information Act, 5 U.S.C.  
18 552, and of the judicial review provisions of  
19 the Administrative Procedure Act, 5 U.S.C.  
20 701–706, except that only the Government of  
21 the Federated States of Micronesia may seek  
22 judicial review under the Administrative Pro-  
23 cedure Act or judicial enforcement under the  
24 Freedom of Information Act when such judi-  
25 cial review or enforcement relates to the ac-

1    **tivities of the Government of the United**  
2    **States governed by sections 161 and 162.**

3    **Section 173**

4        **The Governments of the United States**  
5    **and the Federated States of Micronesia agree**  
6    **to adopt and enforce such measures, con-**  
7    **sistent with this Compact, as amended, and**  
8    **its related agreements, as may be necessary to**  
9    **protect the personnel, property, installations,**  
10   **services, programs and official archives and**  
11   **documents maintained by the Government of**  
12   **the United States in the Federated States of**  
13   **Micronesia pursuant to this Compact, as**  
14   **amended, and its related agreements and by**  
15   **the Government of the Federated States of Mi-**  
16   **cronesia in the United States pursuant to this**  
17   **Compact, as amended, and its related agree-**  
18   **ments.**

19   **Section 174**

20        **Except as otherwise provided in this Com-**  
21   **pact, as amended, and its related agreements:**

22            **(a) The Government of the Federated**  
23        **States of Micronesia, and its agencies and**  
24        **officials, shall be immune from the juris-**  
25        **diction of the court of the United States,**

1       **and the Government of the United States,**  
2       **and its agencies and officials, shall be im-**  
3       **mune from the jurisdiction of the courts**  
4       **of the Federated States of Micronesia.**

5           **(b) The Government of the United**  
6       **States accepts responsibility for and shall**  
7       **pay:**

8           **(1) any unpaid money judgment**  
9       **rendered by the High Court of the**  
10       **Trust Territory of the Pacific Islands**  
11       **against the Government of the United**  
12       **States with regard to any cause of ac-**  
13       **tion arising as a result of acts or**  
14       **omissions of the Government of the**  
15       **Trust Territory of the Pacific Islands**  
16       **or the Government of the United**  
17       **States prior to November 3, 1986;**

18           **(2) any claim settled by the claim-**  
19       **ant and the Government of the Trust**  
20       **Territory of the Pacific Islands but**  
21       **not paid as of the November 3, 1986;**  
22       **and**

23           **(3) settlement of any administra-**  
24       **tive claim or of any action before a**  
25       **court of the Trust Territory of the Pa-**

1           cific Islands or the Government of the  
2           United States, arising as a result of  
3           acts or omissions of the Government  
4           of the Trust Territory of the Pacific  
5           Islands or the Government of the  
6           United States.

7           (c) Any claim not referred to in sec-  
8           tion 174(b) and arising from an act or  
9           omission of the Government of the Trust  
10          Territory of the Pacific Islands or the  
11          Government of the United States prior to  
12          the effective date of the Compact shall be  
13          adjudicated in the same manner as a  
14          claim adjudicated according to section  
15          174(d). In any claim against the Govern-  
16          ment of the Trust Territory of the Pacific  
17          Islands, the Government of the United  
18          States shall stand in the place of the Gov-  
19          ernment of the Trust Territory of the Pa-  
20          cific Islands. A judgment on any claim re-  
21          ferred to in section 174(b) or this sub-  
22          section, not otherwise satisfied by the  
23          Government of the United States, may be  
24          presented for certification to the United  
25          States Court of Appeals for the Federal

1       Circuit, or its successor courts, which  
2       shall have jurisdiction therefore, notwith-  
3       standing the provisions of 28 U.S.C. 1502,  
4       and which court's decisions shall be re-  
5       viewable as provided by the laws of the  
6       United States. The United States Court of  
7       Appeals for the Federal Circuit shall cer-  
8       tify such judgment, and order payment  
9       thereof, unless it finds, after a hearing,  
10      that such judgment is manifestly erro-  
11      neous as to law or fact, or manifestly ex-  
12      cessive. In either of such cases the United  
13      States Court of Appeals for the Federal  
14      Circuit shall have jurisdiction to modify  
15      such judgment.

16           (d) The Government of the Federated  
17      States of Micronesia shall not be immune  
18      from the jurisdiction of the courts of the  
19      United States, and the Government of the  
20      United States shall not be immune from  
21      the jurisdiction of the courts of the Fed-  
22      erated States of Micronesia in any civil  
23      case in which an exception to foreign  
24      state immunity is set forth in the Foreign

1       **Sovereign Immunities Act (28 U.S.C. 1602**  
2       **et seq.) or its successor statutes.**

3       **Section 175**

4       **(a) A separate agreement, which shall**  
5       **come into effect simultaneously with this**  
6       **Compact, as amended, and shall have the**  
7       **force of law, shall govern mutual assistance**  
8       **and cooperation in law enforcement matters,**  
9       **including the pursuit, capture, imprisonment**  
10       **and extradition of fugitives from justice and**  
11       **the transfer of prisoners, as well as other law**  
12       **enforcement matters. In the United States,**  
13       **the laws of the United States governing inter-**  
14       **national extradition, including 18 U.S.C. 3184,**  
15       **3186 and 3188–95, shall be applicable to the**  
16       **extradition of fugitives under the separate**  
17       **agreement, and the laws of the United States**  
18       **governing the transfer of prisoners, including**  
19       **18 U.S.C. 4100–15, shall be applicable to the**  
20       **transfer of prisoners under the separate**  
21       **agreement; and**

22       **(b) A separate agreement, which shall**  
23       **come into effect simultaneously with this**  
24       **Compact, as amended, and shall have the**  
25       **force of law, shall govern requirements relat-**

1 ing to labor recruitment practices, including  
2 registration, reporting, suspension or revoca-  
3 tion of authorization to recruit persons for  
4 employment in the United States, and en-  
5 forcement for violations of such require-  
6 ments.

7 **Section 176**

8       **The Government of the Federated States**  
9 **of Micronesia confirms that final judgments**  
10 **in civil cases rendered by any court of the**  
11 **Trust Territory of the Pacific Islands shall**  
12 **continue in full force and effect, subject to the**  
13 **constitutional power of the courts of the Fed-**  
14 **erated States of Micronesia to grant relief**  
15 **from judgments in appropriate cases.**

16 **Section 177**

17       **Section 177 of the Compact entered into**  
18 **force with respect to the Federated States of**  
19 **Micronesia on November 3, 1986 as follows:**

20           **“(a) The Government of the United**  
21 **States accepts the responsibility for com-**  
22 **pensation owing to citizens of the Mar-**  
23 **shall Islands, or the Federated States of**  
24 **Micronesia, or Palau for loss or damage**  
25 **to property and person of the citizens of**



1       the Marshall Islands, or the Federated  
2       States of Micronesia, resulting from the  
3       nuclear testing program which the Gov-  
4       ernment of the United States conducted  
5       in the Northern Marshall Islands between  
6       June 30, 1946, and August 18, 1958.

7               “(b) The Government of the United  
8       States and the Government of the Mar-  
9       shall Islands shall set forth in a separate  
10      agreement provisions for the just and  
11      adequate settlement of all such claims  
12      which have arisen in regard to the Mar-  
13      shall Islands and its citizens and which  
14      have not as yet been compensated or  
15      which in the future may arise, for the  
16      continued administration by the Govern-  
17      ment of the United States of direct radi-  
18      ation related medical surveillance and  
19      treatment programs and radiological  
20      monitoring activities and for such addi-  
21      tional programs and activities as may be  
22      mutually agreed, and for the assumption  
23      by the Government of the Marshall Is-  
24      lands of responsibility for enforcement of  
25      limitations on the utilization of affected

1        **areas developed in cooperation with the**  
2        **Government of the United States and for**  
3        **the assistance by the Government of the**  
4        **United States in the exercise of such re-**  
5        **sponsibility as may be mutually agreed.**  
6        **This separate agreement shall come into**  
7        **effect simultaneously with this Compact**  
8        **and shall remain in effect in accordance**  
9        **with its own terms.**

10        **“(c) The Government of the United**  
11        **States shall provide to the Government of**  
12        **the Marshall Islands, on a grant basis, the**  
13        **amount of \$150 million to be paid and**  
14        **distributed in accordance with the sepa-**  
15        **rate agreement referred to in this Sec-**  
16        **tion, and shall provide the services and**  
17        **programs set forth in this separate agree-**  
18        **ment, the language of which is incor-**  
19        **porated into this Compact.”**

20        **The Compact, as amended, makes no**  
21        **changes to, and has no effect upon, Section**  
22        **177 of the Compact, nor does the Compact, as**  
23        **amended, change or affect the separate agree-**  
24        **ment referred to in Section 177 of the Com-**  
25        **pact including Articles IX and X of that sepa-**

1 rate agreement, and measures taken by the  
2 parties thereunder.

3 **Section 178**

4       (a) The Federal agencies of the Govern-  
5 ment of the United States that provide the  
6 services and related programs in the Fed-  
7 erated States of Micronesia pursuant to Title  
8 Two are authorized to settle and pay tort  
9 claims arising in the Federated States of Mi-  
10 cronesia from the activities of such agencies  
11 or from the acts or omissions of the employees  
12 of such agencies. Except as provided in sec-  
13 tion 178(b), the provisions of 28 U.S.C. 2672  
14 and 31 U.S.C. 1304 shall apply exclusively to  
15 such administrative settlements and pay-  
16 ments.

17       (b) Claims under section 178(a) that can-  
18 not be settled under section 178(a) shall be  
19 disposed of exclusively in accordance with Ar-  
20 ticle II of Title Four. Arbitration awards ren-  
21 dered pursuant to this subsection shall be  
22 paid out of funds under 31 U.S.C. 1304.

23       (c) The Government of the United States  
24 and the Government of the Federated States

1 of Micronesia shall, in the separate agreement  
2 referred to in section 231, provide for:

3 (1) the administrative settlement of  
4 claims referred to in section 178(a), in-  
5 cluding designation of local agents in  
6 each State of the Federated States of Mi-  
7 cronesia; such agents to be empowered to  
8 accept, investigate and settle such claims,  
9 in a timely manner, as provided in such  
10 separate agreements; and

11 (2) arbitration, referred to in section  
12 178(b), in a timely manner, at a site con-  
13 venient to the claimant, in the event a  
14 claim is not otherwise settled pursuant to  
15 section 178(a).

16 (d) The provisions of section 174(d) shall  
17 not apply to claims covered by this section.

18 (e) Except as otherwise explicitly pro-  
19 vided by law of the United States, neither the  
20 Government of the United States, its instru-  
21 mentalities, nor any person acting on behalf  
22 of the Government of the United States, shall  
23 be named a party in any action based on, or  
24 arising out of, the activity or activities of a re-  
25 cipient of any grant or other assistance pro-

1 vided by the Government of the United States  
2 (or the activity or activities of the recipient's  
3 agency or any other person or entity acting  
4 on behalf of the recipient).

5 **Section 179**

6 (a) The courts of the Federated States of  
7 Micronesia shall not exercise criminal juris-  
8 diction over the Government of the United  
9 States, or its instrumentalities.

10 (b) The courts of the Federated States of  
11 Micronesia shall not exercise criminal juris-  
12 diction over any person if the Government of  
13 the United States provides notification to the  
14 Government of the Federated States of Micro-  
15 nesia that such person was acting on behalf  
16 of the Government of the United States, for  
17 actions taken in furtherance of section 221 or  
18 224 of this amended Compact, or any other  
19 provision of law authorizing financial, pro-  
20 gram, or service assistance to the Federated  
21 States of Micronesia.

1 **TITLE TWO**  
2 **ECONOMIC RELATIONS**

3 **Article I**

4 **Grant Assistance**

5 **Section 211 - Sector Grants**

6 (a) In order to assist the Government of  
7 the Federated States of Micronesia in its ef-  
8 forts to promote the economic advancement,  
9 budgetary self-reliance, and economic self-  
10 sufficiency of its people, and in recognition of  
11 the special relationship that exists between  
12 the Federated States of Micronesia and the  
13 United States, the Government of the United  
14 States shall provide assistance on a sector  
15 grant basis for a period of twenty years in the  
16 amounts set forth in section 216, commencing  
17 on the effective date of this Compact, as  
18 amended. Such grants shall be used for assist-  
19 ance in the sectors of education, health care,  
20 private sector development, the environment,  
21 public sector capacity building, and public in-  
22 frastructure, or for other sectors as mutually  
23 agreed, with priorities in the education and  
24 health care sectors. For each year such sector  
25 grant assistance is made available, the pro-

1 posed division of this amount among these  
2 sectors shall be certified to the Government  
3 of the United States by the Government of the  
4 Federated States of Micronesia and shall be  
5 subject to the concurrence of the Government  
6 of the United States. In such case, the Govern-  
7 ment of the United States shall disburse the  
8 agreed upon amounts and monitor the use of  
9 such sector grants in accordance with the  
10 provisions of this Article and the Agreement  
11 Concerning Procedures for the Implementa-  
12 tion of United States Economic Assistance  
13 Provided in the Compact, as Amended, of Free  
14 Association Between the Government of the  
15 United States of America and the Government  
16 of the Federated States of Micronesia (“Fiscal  
17 Procedures Agreement”) which shall come  
18 into effect simultaneously with this Compact,  
19 as amended. The provision of any United  
20 States assistance under the Compact, as  
21 amended, the Fiscal Procedures Agreement,  
22 the Trust Fund Agreement, or any other sub-  
23 sidiary agreement to the Compact, as amend-  
24 ed, shall constitute “a particular distribution  
25 . . . required by the terms or special nature

1 of the assistance” for purposes of Article XII,  
2 section 1(b) of the Constitution of the Fed-  
3 erated States of Micronesia.

4 (1) EDUCATION.—United States grant  
5 assistance shall be made available in ac-  
6 cordance with the plan described in sub-  
7 section (c) of this section to support and  
8 improve the educational system of the  
9 Federated States of Micronesia and de-  
10 velop the human, financial, and material  
11 resources necessary for the Government  
12 of the Federated States of Micronesia to  
13 perform these services. Emphasis should  
14 be placed on advancing a quality basic  
15 education system.

16 (2) HEALTH.—United States grant as-  
17 sistance shall be made available in ac-  
18 cordance with the plan described in sub-  
19 section (c) of this section to support and  
20 improve the delivery of preventive, cura-  
21 tive and environmental care and develop  
22 the human, financial, and material re-  
23 sources necessary for the Government of  
24 the Federated States of Micronesia to  
25 perform these services.



1           **(3) PRIVATE SECTOR DEVELOPMENT.—**

2           **United States grant assistance shall be**  
3           **made available in accordance with the**  
4           **plan described in subsection (c) of this**  
5           **section to support the efforts of the Gov-**  
6           **ernment of the Federated States of Micro-**  
7           **nesia to attract foreign investment and**  
8           **increase indigenous business activity by**  
9           **vitalizing the commercial environment,**  
10          **ensuring fair and equitable application of**  
11          **the law, promoting adherence to core**  
12          **labor standards, and maintaining**  
13          **progress toward privatization of state-**  
14          **owned and partially state-owned enter-**  
15          **prises, and engaging in other reforms.**

16          **(4) CAPACITY BUILDING IN THE PUBLIC**  
17          **SECTOR.—United States grant assistance**  
18          **shall be made available in accordance**  
19          **with the plan described in subsection (c)**  
20          **of this section to support the efforts of**  
21          **the Government of the Federated States**  
22          **of Micronesia to build effective, account-**  
23          **able and transparent national, state, and**  
24          **local government and other public sector**  
25          **institutions and systems.**

1           **(5) ENVIRONMENT.—United States**  
2           **grant assistance shall be made available**  
3           **in accordance with the plan described in**  
4           **subsection (c) of this section to increase**  
5           **environmental protection; conserve and**  
6           **achieve sustainable use of natural re-**  
7           **sources; and engage in environmental in-**  
8           **frastructure planning, design construc-**  
9           **tion and operation.**

10           **(6) PUBLIC INFRASTRUCTURE.—**

11           **(i) U.S. annual grant assistance**  
12           **shall be made available in accordance**  
13           **with a list of specific projects in-**  
14           **cluded in the plan described in sub-**  
15           **section (c) of this section to assist the**  
16           **Government of the Federated States**  
17           **of Micronesia in its efforts to provide**  
18           **adequate public infrastructure.**

19           **(ii) INFRASTRUCTURE AND MAINTENANCE FUND.—Five percent of the an-**  
20           **ual public infrastructure grant**  
21           **made available under paragraph (i) of**  
22           **this subsection shall be set aside,**  
23           **with an equal contribution from the**  
24           **Government of the Federated States**  
25

1           **of Micronesia, as a contribution to an**  
2           **Infrastructure Maintenance Fund**  
3           **(IMF). Administration of the Infra-**  
4           **structure Maintenance Fund shall be**  
5           **governed by the Fiscal Procedures**  
6           **Agreement.**

7           **(b) HUMANITARIAN ASSISTANCE.—Federated**  
8           **States of Micronesia Program. In recognition**  
9           **of the special development needs of the Fed-**  
10          **erated States of Micronesia, the Government**  
11          **of the United States shall make available to**  
12          **the Government of the Federated States of Mi-**  
13          **cronesia, on its request and to be deducted**  
14          **from the grant amount made available under**  
15          **subsection (a) of this section, a Humanitarian**  
16          **Assistance - Federated States of Micronesia**  
17          **(“HAFSM”) Program with emphasis on health,**  
18          **education, and infrastructure (including**  
19          **transportation), projects. The terms and con-**  
20          **ditions of the HAFSM shall be set forth in the**  
21          **Agreement Regarding the Military Use and**  
22          **Operating Rights of the Government of the**  
23          **United States in the Government of the Fed-**  
24          **erated States of Micronesia Concluded Pursu-**  
25          **ant to Sections 321 and 323 of the Compact of**

1 **Free Association, as Amended which shall**  
2 **come into effect simultaneously with the**  
3 **amendments to this Compact.**

4       **(c) DEVELOPMENT PLAN.—The Government**  
5 **of the Federated States of Micronesia shall**  
6 **prepare and maintain an official overall de-**  
7 **velopment plan. The plan shall be strategic in**  
8 **nature, shall be continuously reviewed and**  
9 **updated through the annual budget process,**  
10 **and shall make projections on a multi-year**  
11 **rolling basis. Each of the sectors named in**  
12 **subsection (a) of this section, or other sectors**  
13 **as mutually agreed, shall be accorded specific**  
14 **treatment in the plan. Insofar as grants funds**  
15 **are involved, the plan shall be subject to the**  
16 **concurrence of the Government of the United**  
17 **States.**

18       **(d) DISASTER ASSISTANCE EMERGENCY**  
19 **FUND.—An amount of two hundred thousand**  
20 **dollars (\$200,000) shall be provided annually,**  
21 **with an equal contribution from the Govern-**  
22 **ment of the Federated States of Micronesia, as**  
23 **a contribution to a “Disaster Assistance Emer-**  
24 **gency Fund (DAEF).” Any funds from the**  
25 **DAEF may be used only for assistance and re-**

1 habilitation resulting from disasters and  
2 emergencies. The funds will be accessed upon  
3 declaration by the Government of the Fed-  
4 erated States of Micronesia, with the concur-  
5 rence of the United States Chief of Mission to  
6 the Federated States of Micronesia. The Ad-  
7 ministration of the DAEF shall be governed  
8 by the Fiscal Procedures Agreement.

9 **Section 212 - Accountability.**

10       (a) Regulations and policies normally ap-  
11 plicable to United States financial assistance  
12 to its state and local governments, as re-  
13 flected in the Fiscal Procedures Agreement,  
14 shall apply to each sector grant described in  
15 section 211, and to grants administered under  
16 section 221 below, except as modified in the  
17 separate agreements referred to in section  
18 231 of this Compact, as amended, or by United  
19 States law. The Government of the United  
20 States, after annual consultations with the  
21 Federated States of Micronesia, may attach  
22 reasonable terms and conditions, including  
23 annual performance indicators that are nec-  
24 essary to ensure effective use of United States  
25 assistance and reasonable progress toward

1 achieving program objectives. The Govern-  
2 ment of the United States may seek appro-  
3 priate remedies for noncompliance with the  
4 terms and conditions attached to the assist-  
5 ance, or for failure to comply with section 234,  
6 including withholding assistance.

7 (b) The Government of the United States  
8 shall, for each fiscal year of the twenty years  
9 during which assistance is to be provided on  
10 a sector grant basis under section 211, grant  
11 the Government of the Federated States of Mi-  
12 cronesia an amount equal to the lesser of (i)  
13 one half of the reasonable, properly docu-  
14 mented cost incurred during each fiscal year  
15 to conduct the annual audit required under  
16 Article VIII (2) of the Fiscal Procedures  
17 Agreement or (ii) \$500,000. Such amount will  
18 not be adjusted for inflation under section 217  
19 or otherwise.

20 **Section 213 - Joint Economic Management**  
21 **Committee**

22 The Governments of the United States  
23 and the Federated States of Micronesia shall  
24 establish a Joint Economic Management Com-  
25 mittee, composed of a U.S. chair, two other

1 members from the Government of the United  
2 States and two members from the Govern-  
3 ment of the Federated States of Micronesia.  
4 The Joint Economic Management Committee  
5 shall meet at least once each year to review  
6 the audits and reports required under this  
7 Title, evaluate the progress made by the Fed-  
8 erated States of Micronesia in meeting the ob-  
9 jectives identified in its plan described in sub-  
10 section (c) of section 211, with particular  
11 focus on those parts of the plan dealing with  
12 the sectors identified in subsection (a) of sec-  
13 tion 211, identify problems encountered, and  
14 recommend ways to increase the effectiveness  
15 of U.S. assistance made available under this  
16 Title. The establishment and operations of the  
17 Joint Economic Management Committee shall  
18 be governed by the Fiscal Procedures Agree-  
19 ment.

#### 20 Section 214 - Annual Report

21 The Government of the Federated States  
22 of Micronesia shall report annually to the  
23 President of the United States on the use of  
24 United States sector grant assistance and  
25 other assistance and progress in meeting mu-

1 tually agreed program and economic goals.  
2 The Joint Economic Management Committee  
3 shall review and comment on the report and  
4 make appropriate recommendations based  
5 thereon.

6 **Section 215 - Trust Fund**

7 (a) The United States shall contribute an-  
8 nually for twenty years from the effective  
9 date of this Compact, as amended, in the  
10 amounts set forth in section 216 into a Trust  
11 Fund established in accordance with the  
12 Agreement Between the Government of the  
13 United States of America and the Government  
14 of the Federated States of Micronesia Imple-  
15 menting Section 215 and Section 216 of the  
16 Compact, as Amended, Regarding a Trust  
17 Fund ("Trust Fund Agreement"). Upon termi-  
18 nation of the annual financial assistance  
19 under section 211, the proceeds of the fund  
20 shall thereafter be used for the purposes de-  
21 scribed in section 211 or as otherwise mutu-  
22 ally agreed.

23 (b) The United States contribution into  
24 the Trust Fund described in subsection(a) of  
25 this section is conditioned on the Government



1 of the Federated States of Micronesia contrib-  
2 uting to the Trust Fund at least \$30 million,  
3 prior to September 30, 2004. Any funds re-  
4 ceived by the Federated States of Micronesia  
5 under section 111 (d) of Public Law 99-239  
6 (January 14, 1986), or successor provisions,  
7 would be contributed to the Trust Fund as a  
8 Federated States of Micronesia contribution.

9 (c) The terms regarding the investment  
10 and management of funds and use of the in-  
11 come of the Trust Fund shall be set forth in  
12 the separate Trust Fund Agreement described  
13 in subsection (a) of this section. Funds de-  
14 rived from United States investment shall not  
15 be subject to Federal or state taxes in the  
16 United States or the Federated States of Mi-  
17 cronesia. The Trust Fund Agreement shall  
18 also provide for annual reports to the Govern-  
19 ment of the United States and to the Govern-  
20 ment of the Federated States of Micronesia.  
21 The Trust Fund Agreement shall provide for  
22 appropriate distributions of trust fund pro-  
23 ceeds to the Federated States of Micronesia  
24 and for appropriate remedies for the failure  
25 of the Federated States of Micronesia to use

1 income of the Trust Fund for the annual grant  
2 purposes set forth in section 211. These rem-  
3 edies may include the return to the United  
4 States of the present market value of its con-  
5 tributions to the Trust Fund and the present  
6 market value of any undistributed income on  
7 the contributions of the United States. If this  
8 Compact, as amended, is terminated, the pro-  
9 visions of sections 451 through 453 of this  
10 Compact, as amended, shall govern treatment  
11 of any U.S. contributions to the Trust Fund or  
12 accrued interest thereon.

### 13 Section 216 - Sector Grant Funding and Trust 14 Fund Contributions

15 The funds described in sections 211,  
16 212(b) and 215 shall be made available as fol-  
17 lows:

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 212(b) (amount up to)	Trust Fund Section 215	Total
2004 .....	76.2	.5	16	92.7
2005 .....	76.2	.5	16	92.7
2006 .....	76.2	.5	16	92.7
2007 .....	75.4	.5	16.8	92.7
2008 .....	74.6	.5	17.6	92.7
2009 .....	73.8	.5	18.4	92.7
2010 .....	73	.5	19.2	92.7
2011 .....	72.2	.5	20	92.7
2012 .....	71.4	.5	20.8	92.7
2013 .....	70.6	.5	21.6	92.7
2014 .....	69.8	.5	22.4	92.7
2015 .....	69	.5	23.2	92.7
2016 .....	68.2	.5	24	92.7
2017 .....	67.4	.5	24.8	92.7
2018 .....	66.6	.5	25.6	92.7
2019 .....	65.8	.5	26.4	92.7
2020 .....	65	.5	27.2	92.7
2021 .....	64.2	.5	28	92.7
2022 .....	63.4	.5	28.8	92.7

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 212(b) (amount up to)	Trust Fund Section 215	Total
2023 .....	62.6	.5	29.6	92.7

## 1 Section 217 - Inflation Adjustment

2 Except for the amounts provided for au-  
3 dits under section 212(b), the amounts stated  
4 in this Title shall be adjusted for each United  
5 States Fiscal Year by the percent that equals  
6 two-thirds of the percent change in the  
7 United States Gross Domestic Product Im-  
8 plicit Price Deflator, or 5 percent, whichever  
9 is less in any one year, using the beginning of  
10 Fiscal Year 2004 as a base.

## 11 Section 218 - Carry-Over of Unused Funds

12 If in any year the funds made available by  
13 the Government of the United States for that  
14 year pursuant to this Article are not com-  
15 pletely obligated by the Government of the  
16 Federated States of Micronesia, the unobli-  
17 gated balances shall remain available in addi-  
18 tion to the funds to be provided in subsequent  
19 years.

## 20 Article II

### 21 Services and Program Assistance

## 22 Section 221

1       **(a) SERVICES.—The Government of the**  
2 **United States shall make available to the Fed-**  
3 **erated States of Micronesia, in accordance**  
4 **with and to the extent provided in the Federal**  
5 **Programs and Services Agreement referred to**  
6 **in section 231, the services and related pro-**  
7 **grams of:**

8               **(1) the United States Weather Service;**

9               **(2) the United States Postal Service;**

10              **(3) the United States Federal Aviation**  
11 **Administration;**

12              **(4) the United States Department of**  
13 **Transportation;**

14              **(5) the Federal Deposit Insurance**  
15 **Corporation (for the benefit only of the**  
16 **Bank of the Federated States of Micro-**  
17 **nesia), and**

18              **(6) the Department of Homeland Se-**  
19 **curity, and the United States Agency for**  
20 **International Development, Office of For-**  
21 **oreign Disaster Assistance.**

22 **Upon the effective date of this Compact, as**  
23 **amended, the United States Departments and**  
24 **Agencies named or having responsibility to**  
25 **provide these services and related programs**

1 shall have the authority to implement the rel-  
2 evant provisions of the Federal Programs and  
3 Services Agreement referred to in section 231.

4 (b) PROGRAMS.—

5 (1) With the exception of the services  
6 and programs covered by subsection (a)  
7 of this section, and unless the Congress  
8 of the United States provides otherwise,  
9 the Government of the United States  
10 shall make available to the Federated  
11 States of Micronesia the services and pro-  
12 grams that were available to the Fed-  
13 erated States of Micronesia on the effec-  
14 tive date of this Compact, as amended, to  
15 the extent that such services and pro-  
16 grams continue to be available to State  
17 and local governments of the United  
18 States. As set forth in the Fiscal Proce-  
19 dures Agreement, funds provided under  
20 subsection (a) of section 211 will be con-  
21 sidered to be local revenues of the Gov-  
22 ernment of the Federated States of Micro-  
23 nesia when used as the local share re-  
24 quired to obtain Federal programs and  
25 services.

1           (2) Unless provided otherwise by U.S.  
2       law, the services and programs described  
3       in paragraph (1) of this subsection shall  
4       be extended in accordance with the  
5       terms of the Federal Programs and Serv-  
6       ices Agreement referred to in section 231.

7       (c) The Government of the United States  
8       shall have and exercise such authority as is  
9       necessary to carry out its responsibilities  
10      under this Title and the separate agreements  
11      referred to in amended section 231, including  
12      the authority to monitor and administer all  
13      service and program assistance provided by  
14      the United States to the Federated States of  
15      Micronesia. The Federal Programs and Serv-  
16      ices Agreement referred to in amended sec-  
17      tion 231 shall also set forth the extent to  
18      which services and programs shall be pro-  
19      vided to the Federated States of Micronesia.

20      (d) Except as provided elsewhere in this  
21      Compact, as amended, under any separate  
22      agreement entered into under this Compact,  
23      as amended, or otherwise under U.S. law, all  
24      Federal domestic programs extended to or op-  
25      erating in the Federated States of Micronesia

1 shall be subject to all applicable criteria,  
2 standards, reporting requirements, auditing  
3 procedures, and other rules and regulations  
4 applicable to such programs and services  
5 when operating in the United States.

6 (e) The Government of the United States  
7 shall make available to the Federated States  
8 of Micronesia alternate energy development  
9 projects, studies, and conservation measures  
10 to the extent provided for the Freely Associ-  
11 ated States in the laws of the United States.

12 **Section 222**

13 The Government of the United States and  
14 the Government of the Federated States of Mi-  
15 cronesia may agree from time to time to ex-  
16 tend to the Federated States of Micronesia ad-  
17 ditional United States grant assistance, serv-  
18 ices and programs, as provided under the  
19 laws of the United States. Unless inconsistent  
20 with such laws, or otherwise specifically pre-  
21 cluded by the Government of the United  
22 States at the time such additional grant as-  
23 sistance, services, or programs are extended,  
24 the Federal Programs and Services Agree-

1 ment referred to section 231 shall apply to  
2 any such assistance, services or programs.

3 **Section 223**

4       **The Government of the Federated States**  
5 **of Micronesia shall make available to the Gov-**  
6 **ernment of the United States at no cost such**  
7 **land as may be necessary for the operations**  
8 **of the services and programs provided pursu-**  
9 **ant to this Article, and such facilities as are**  
10 **provided by the Government of the Federated**  
11 **States of Micronesia at no cost to the Govern-**  
12 **ment of the United States as of the effective**  
13 **date of this Compact, as amended, or as may**  
14 **be mutually agreed thereafter.**

15 **Section 224**

16       **The Government of the Federated States**  
17 **of Micronesia may request, from time to time,**  
18 **technical assistance from the Federal agen-**  
19 **cies and institutions of the Government of the**  
20 **United States, which are authorized to grant**  
21 **such technical assistance in accordance with**  
22 **its laws. If technical assistance is granted pur-**  
23 **suant to such a request, the Government of**  
24 **the United States shall provide the technical**  
25 **assistance in a manner which gives priority**



1 consideration to the Federated States of Mi-  
2 cronesia over other recipients not a part of  
3 the United States, its territories or posses-  
4 sions, and equivalent consideration to the  
5 Federated States of Micronesia with respect  
6 to other states in Free Association with the  
7 United States. Such assistance shall be made  
8 available on a reimbursable or non-reimburs-  
9 able basis to the extent provided by United  
10 States law.

### 11 Article III

#### 12 Administrative Provisions

##### 13 Section 231

14 The specific nature, extent and contrac-  
15 tual arrangements of the services and pro-  
16 grams provided for in section 221 of this Com-  
17 pact, as amended, as well as the legal status  
18 of agencies of the Government of the United  
19 States, their civilian employees and contrac-  
20 tors, and the dependents of such personnel  
21 while present in the Federated States of Mi-  
22 cronesia, and other arrangements in connec-  
23 tion with the assistance, services, or pro-  
24 grams furnished by the Government of the  
25 United States, are set forth in a Federal Pro-

1 **grams and Services Agreement which shall**  
2 **come into effect simultaneously with this**  
3 **Compact, as amended.**

4 **Section 232**

5       **The Government of the United States, in**  
6 **consultation with the Government of the Fed-**  
7 **erated States of Micronesia, shall determine**  
8 **and implement procedures for the periodic**  
9 **audit of all grants and other assistance made**  
10 **under Article I of this Title and of all funds**  
11 **expended for the services and programs pro-**  
12 **vided under Article II of this Title. Further,**  
13 **in accordance with the Fiscal Procedures**  
14 **Agreement described in subsection (a) of sec-**  
15 **tion 211, the Comptroller General of the**  
16 **United States shall have such powers and au-**  
17 **thorities as described in sections 102 (c) and**  
18 **110 (c) of Public Law 99-239, 99 Stat. 1777-78,**  
19 **and 99 Stat. 1799 (January 14, 1986).**

20 **Section 233**

21       **Approval of this Compact, as amended, by**  
22 **the Government of the United States, in ac-**  
23 **cordance with its constitutional processes,**  
24 **shall constitute a pledge by the United States**  
25 **that the sums and amounts specified as sector**

1 grants in section 211 of this Compact, as  
2 amended, shall be appropriated and paid to  
3 the Federated States of Micronesia for such  
4 period as those provisions of this Compact, as  
5 amended, remain in force, subject to the  
6 terms and conditions of this Title and related  
7 subsidiary agreements.

8 **Section 234**

9       **The Government of the Federated States**  
10 **of Micronesia pledges to cooperate with, per-**  
11 **mit, and assist if reasonably requested, des-**  
12 **ignated and authorized representatives of the**  
13 **Government of the United States charged**  
14 **with investigating whether Compact funds, or**  
15 **any other assistance authorized under this**  
16 **Compact, as amended, have, or are being,**  
17 **used for purposes other than those set forth**  
18 **in this Compact, as amended, or its subsidiary**  
19 **agreements. In carrying out this investigative**  
20 **authority, such United States Government**  
21 **representatives may request that the Govern-**  
22 **ment of the Federated States of Micronesia**  
23 **subpoena documents and records and compel**  
24 **testimony in accordance with the laws and**  
25 **Constitution of the Federated States of Micro-**

1 nesia. Such assistance by the Government of  
2 the Federated States of Micronesia to the  
3 Government of the United States shall not be  
4 unreasonably withheld. The obligation of the  
5 Government of the Federated States of Micro-  
6 nesia to fulfill its pledge herein is a condition  
7 to its receiving payment of such funds or  
8 other assistance authorized under this Com-  
9 pact, as amended. The Government of the  
10 United States shall pay any reasonable costs  
11 for extraordinary services executed by the  
12 Government of the Federated States of Micro-  
13 nesia in carrying out the provisions of this  
14 section.

#### 15 Article IV

#### 16 Trade

#### 17 Section 241

18 The Federated States of Micronesia is not  
19 included in the customs territory of the  
20 United States.

#### 21 Section 242

22 The President shall proclaim the fol-  
23 lowing tariff treatment for articles imported  
24 from the Federated States of Micronesia

1 which shall apply during the period of effec-  
2 tiveness of this title:

3 (a) Unless otherwise excluded, arti-  
4 cles imported from the Federated States  
5 of Micronesia, subject to the limitations  
6 imposed under section 503(b) of title V of  
7 the Trade Act of 1974 (19 U.S.C. 2463(b)),  
8 shall be exempt from duty.

9 (b) Only tuna in airtight containers  
10 provided for in heading 1604.14.22 of the  
11 Harmonized Tariff Schedule of the  
12 United States that is imported from the  
13 Federated States of Micronesia and the  
14 Republic of the Marshall Islands during  
15 any calendar year not to exceed 10 per-  
16 cent of apparent United States consump-  
17 tion of tuna in airtight containers during  
18 the immediately preceding calendar year,  
19 as reported by the National Marine Fish-  
20 eries Service, shall be exempt from duty;  
21 but the quantity of tuna given duty-free  
22 treatment under this paragraph for any  
23 calendar year shall be counted against  
24 the aggregated quantity of tuna in air-  
25 tight containers that is dutiable under

1       rate column numbered 1 of such heading  
2       1604.14.22 for that calendar year.

3           (c) The duty-free treatment provided  
4       under subsection (a) shall not apply to—

5           (1) watches, clocks, and timing  
6       apparatus provided for in Chapter 91,  
7       excluding heading 9113, of the Har-  
8       monized Tariff Schedule of the  
9       United States;

10          (2) buttons (whether finished or  
11       not finished) provided for in items  
12       9606.21.40 and 9606.29.20 of such  
13       Schedule;

14          (3) textile and apparel articles  
15       which are subject to textile agree-  
16       ments; and

17          (4) footwear, handbags, luggage,  
18       flat goods, work gloves, and leather  
19       wearing apparel which were not eligi-  
20       ble articles for purposes of title V of  
21       the Trade Act of 1974 (19 U.S.C. 2461,  
22       et seq.) on April 1, 1984.

23          (d) If the cost or value of materials  
24       produced in the customs territory of the  
25       United States is included with respect to

1       an eligible article which is a product of  
2       the Federated States of Micronesia, an  
3       amount not to exceed 15 percent of the  
4       appraised value of the article at the time  
5       it is entered that is attributable to such  
6       United States cost or value may be ap-  
7       plied for duty assessment purposes to-  
8       ward determining the percentage re-  
9       ferred to in section 503(a)(2) of title V of  
10      the Trade Act of 1974.

11   **Section 243**

12      Articles imported from the Federated  
13   States of Micronesia which are not exempt  
14   from duty under subsections (a), (b), (c), and  
15   (d) of section 242 shall be subject to the rates  
16   of duty set forth in column numbered 1-gen-  
17   eral of the Harmonized Tariff Schedule of the  
18   United States (HTSUS).

19   **Section 244**

20      (a) All products of the United States im-  
21   ported into the Federated States of Micro-  
22   nesia shall receive treatment no less favor-  
23   able than that accorded like products of any  
24   foreign country with respect to customs du-  
25   ties or charges of a similar nature and with

1 respect to laws and regulations relating to im-  
2 portation, exportation, taxation, sale, dis-  
3 tribution, storage or use.

4 (b) The provisions of subsection (a) shall  
5 not apply to advantages accorded by the Fed-  
6 erated States of Micronesia by virtue of their  
7 full membership in the Pacific Island Coun-  
8 tries Trade Agreement (PICTA), done on Au-  
9 gust 18, 2001, to those governments listed in  
10 Article 26 of PICTA, as of the date the Com-  
11 pact, as amended, is signed.

12 (c) Prior to entering into consultations on,  
13 or concluding, a free trade agreement with  
14 governments not listed in Article 26 of PICTA,  
15 the Federated States of Micronesia shall con-  
16 sult with the United States regarding whether  
17 or how subsection (a) of section 244 shall be  
18 applied.

## 19 Article V

### 20 Finance and Taxation

#### 21 Section 251

22 The currency of the United States is the  
23 official circulating legal tender of the Fed-  
24 erated States of Micronesia. Should the Gov-  
25 ernment of the Federated States of Micro-



1 nesia act to institute another currency, the  
2 terms of an appropriate currency transitional  
3 period shall be as agreed with the Govern-  
4 ment of the United States.

5 **Section 252**

6       **The Government of the Federated States**  
7 **of Micronesia may, with respect to United**  
8 **States persons, tax income derived from**  
9 **sources within its respective jurisdiction,**  
10 **property situated therein, including transfers**  
11 **of such property by gift or at death, and prod-**  
12 **ucts consumed therein, in such manner as the**  
13 **Government of the Federated States of Micro-**  
14 **nesia deems appropriate. The determination**  
15 **of the source of any income, or the situs of**  
16 **any property, shall for purposes of this Com-**  
17 **pact be made according to the United States**  
18 **Internal Revenue Code.**

19 **Section 253**

20       **A citizen of the Federated States of Micro-**  
21 **nesia, domiciled therein, shall be exempt from**  
22 **estate, gift, and generation-skipping transfer**  
23 **taxes imposed by the Government of the**  
24 **United States, provided that such citizen of**

1 the Federated States of Micronesia is neither  
2 a citizen nor a resident of the United States.

3 Section 254

4 (a) In determining any income tax im-  
5 posed by the Government of the Federated  
6 States of Micronesia, the Government of the  
7 Federated States of Micronesia shall have au-  
8 thority to impose tax upon income derived by  
9 a resident of the Federated States of Micro-  
10 nesia from sources without the Federated  
11 States of Micronesia, in the same manner and  
12 to the same extent as the Government of the  
13 Federated States of Micronesia imposes tax  
14 upon income derived from within its own ju-  
15 risdiction. If the Government of the Fed-  
16 erated States of Micronesia exercises such au-  
17 thority as provided in this subsection, any in-  
18 dividual resident of the Federated States of  
19 Micronesia who is subject to tax by the Gov-  
20 ernment of the United States on income  
21 which is also taxed by the Government of the  
22 Federated States of Micronesia shall be re-  
23 lieved of liability to the Government of the  
24 United States for the tax which, but for this  
25 subsection, would otherwise be imposed by

1 the Government of the United States on such  
2 income. However, the relief from liability to  
3 the United States Government referred to in  
4 the preceding sentence means only relief in  
5 the form of the foreign tax credit (or deduc-  
6 tion in lieu thereof) available with respect to  
7 the income taxes of a possession of the United  
8 States, and relief in the form of the exclusion  
9 under section 911 of the Internal Revenue  
10 Code of 1986. For purposes of this section, the  
11 term “resident of the Federated States of Mi-  
12 cronesia” shall be deemed to include any per-  
13 son who was physically present in the Fed-  
14 erated States of Micronesia for a period of 183  
15 or more days during any taxable year.

16 (b) If the Government of the Federated  
17 States of Micronesia subjects income to tax-  
18 ation substantially similar to that imposed by  
19 the Trust Territory Code in effect on January  
20 1, 1980, such Government shall be deemed to  
21 have exercised the authority described in sec-  
22 tion 254(a).

### 23 Section 255

24 For purposes of section 274(h)(3)(A) of the  
25 United States Internal Revenue Code of 1986,

1 the term “North American Area” shall include  
2 the Federated States of Micronesia.

3 **TITLE THREE**

4 **SECURITY AND DEFENSE RELATIONS**

5 **Article I**

6 **Authority and Responsibility**

7 **Section 311**

8 (a) The Government of the United States  
9 has full authority and responsibility for secu-  
10 rity and defense matters in or relating to the  
11 Federated States of Micronesia.

12 (b) This authority and responsibility in-  
13 cludes:

14 (1) the obligation to defend the Fed-  
15 erated States of Micronesia and its peo-  
16 ple from attack or threats thereof as the  
17 United States and its citizens are de-  
18 fended;

19 (2) the option to foreclose access to or  
20 use of the Federated States of Micronesia  
21 by military personnel or for the military  
22 purposes of any third country; and

23 (3) the option to establish and use  
24 military areas and facilities in the Fed-  
25 erated States of Micronesia, subject to

1       the terms of the separate agreements re-  
2       ferred to in sections 321 and 323.

3       (c) The Government of the United States  
4       confirms that it shall act in accordance with  
5       the principles of international law and the  
6       Charter of the United Nations in the exercise  
7       of this authority and responsibility.

8       Section 312

9       Subject to the terms of any agreements  
10      negotiated in accordance with sections 321  
11      and 323, the Government of the United States  
12      may conduct within the lands, waters and air-  
13      space of the Federated States of Micronesia  
14      the activities and operations necessary for  
15      the exercise of its authority and responsi-  
16      bility under this Title.

17     Section 313

18      (a) The Government of the Federated  
19      States of Micronesia shall refrain from ac-  
20      tions that the Government of the United  
21      States determines, after appropriate consulta-  
22      tion with that Government, to be incompat-  
23      ible with its authority and responsibility for  
24      security and defense matters in or relating to  
25      the Federated States of Micronesia.

1       **(b) The consultations referred to in this**  
2 **section shall be conducted expeditiously at**  
3 **senior levels of the two Governments, and the**  
4 **subsequent determination by the Government**  
5 **of the United States referred to in this section**  
6 **shall be made only at senior interagency lev-**  
7 **els of the Government of the United States.**

8       **(c) The Government of the Federated**  
9 **States of Micronesia shall be afforded, on an**  
10 **expeditious basis, an opportunity to raise its**  
11 **concerns with the United States Secretary of**  
12 **State personally and the United States Sec-**  
13 **retary of Defense personally regarding any**  
14 **determination made in accordance with this**  
15 **section.**

16 **Section 314**

17       **(a) Unless otherwise agreed, the Govern-**  
18 **ment of the United States shall not, in the**  
19 **Federated States of Micronesia:**

20               **(1) test by detonation or dispose of**  
21       **any nuclear weapon, nor test, dispose of,**  
22       **or discharge any toxic chemical or bio-**  
23       **logical weapon; or**

24               **(2) test, dispose of, or discharge any**  
25       **other radioactive, toxic chemical or bio-**

1        **logical materials in an amount or manner**  
2        **which would be hazardous to public**  
3        **health or safety.**

4        **(b) Unless otherwise agreed, other than**  
5        **for transit or overflight purposes or during**  
6        **time of a national emergency declared by the**  
7        **President of the United States, a state of war**  
8        **declared by the Congress of the United States**  
9        **or as necessary to defend against an actual or**  
10       **impending armed attack on the United States,**  
11       **the Federated States of Micronesia or the Re-**  
12       **public of the Marshall Islands, the Govern-**  
13       **ment of the United States shall not store in**  
14       **the Federated States of Micronesia or the Re-**  
15       **public of the Marshall Islands any toxic chem-**  
16       **ical weapon, nor any radioactive materials**  
17       **nor any toxic chemical materials intended for**  
18       **weapons use.**

19       **(c) Radioactive, toxic chemical, or biologi-**  
20       **cal materials not intended for weapons use**  
21       **shall not be affected by section 314(b).**

22       **(d) No material or substance referred to in**  
23       **this section shall be stored in the Federated**  
24       **States of Micronesia except in an amount and**  
25       **manner which would not be hazardous to**

1 public health or safety. In determining what  
2 shall be an amount or manner which would  
3 be hazardous to public health or safety under  
4 this section, the Government of the United  
5 States shall comply with any applicable mu-  
6 tual agreement, international guidelines ac-  
7 cepted by the Government of the United  
8 States, and the laws of the United States and  
9 their implementing regulations.

10 (e) Any exercise of the exemption author-  
11 ity set forth in section 161(e) shall have no ef-  
12 fect on the obligations of the Government of  
13 the United States under this section or on the  
14 application of this subsection.

15 (f) The provisions of this section shall  
16 apply in the areas in which the Government  
17 of the Federated States of Micronesia exer-  
18 cises jurisdiction over the living resources of  
19 the seabed, subsoil or water column adjacent  
20 to its coasts.

## 21 Section 315

22 The Government of the United States may  
23 invite members of the armed forces of other  
24 countries to use military areas and facilities  
25 in the Federated States of Micronesia, in con-



1 junction with and under the control of United  
2 States Armed Forces. Use by units of the  
3 armed forces of other countries of such mili-  
4 tary areas and facilities, other than for transit  
5 and overflight purposes, shall be subject to  
6 consultation with and, in the case of major  
7 units, approval of the Government of the Fed-  
8 erated States of Micronesia.

9 **Section 316**

10 The authority and responsibility of the  
11 Government of the United States under this  
12 Title may not be transferred or otherwise as-  
13 signed.

14 **Article II**

15 **Defense Facilities and Operating Rights**

16 **Section 321**

17 (a) Specific arrangements for the estab-  
18 lishment and use by the Government of the  
19 United States of military areas and facilities  
20 in the Federated States of Micronesia are set  
21 forth in separate agreements, which shall re-  
22 main in effect in accordance with the terms  
23 of such agreements.

24 (b) If, in the exercise of its authority and  
25 responsibility under this Title, the Govern-

1 ment of the United States requires the use of  
2 areas within the Federated States of Micro-  
3 nesia in addition to those for which specific  
4 arrangements are concluded pursuant to sec-  
5 tion 321(a), it may request the Government of  
6 the Federated States of Micronesia to satisfy  
7 those requirements through leases or other  
8 arrangements. The Government of the Fed-  
9 erated States of Micronesia shall sympa-  
10 thetically consider any such request and shall  
11 establish suitable procedures to discuss it  
12 with and provide a prompt response to the  
13 Government of the United States.

14 (c) The Government of the United States  
15 recognizes and respects the scarcity and spe-  
16 cial importance of land in the Federated  
17 States of Micronesia. In making any requests  
18 pursuant to section 321(b), the Government of  
19 the United States shall follow the policy of re-  
20 questing the minimum area necessary to ac-  
21 complish the required security and defense  
22 purpose, of requesting only the minimum in-  
23 terest in real property necessary to support  
24 such purpose, and of requesting first to sat-  
25 isfy its requirement through public real prop-

erty, where available, rather than through private real property.

**Section 322**

The Government of the United States shall provide and maintain fixed and floating aids to navigation in the Federated States of Micronesia at least to the extent necessary for the exercise of its authority and responsibility under this Title.

**Section 323**

The military operating rights of the Government of the United States and the legal status and contractual arrangements of the United States Armed Forces, their members, and associated civilians, while present in the Federated States of Micronesia are set forth in separate agreements, which shall remain in effect in accordance with the terms of such agreements.

**Article III**

**Defense Treaties and International Security**

**Agreements**

**Section 331**

Subject to the terms of this Compact, as amended, and its related agreements, the

1 **Government of the United States, exclusively,**  
2 **has assumed and enjoys, as to the Federated**  
3 **States of Micronesia, all obligations, respon-**  
4 **sibilities, rights and benefits of:**

5       **(a) Any defense treaty or other inter-**  
6 **national security agreement applied by the**  
7 **Government of the United States as Admin-**  
8 **istering Authority of the Trust Territory of**  
9 **the Pacific Islands as of November 2, 1986.**

10       **(b) Any defense treaty or other inter-**  
11 **national security agreement to which the**  
12 **Government of the United States is or may be-**  
13 **come a party which it determines to be appli-**  
14 **cable in the Federated States of Micronesia.**  
15 **Such a determination by the Government of**  
16 **the United States shall be preceded by appro-**  
17 **priate consultation with the Government of**  
18 **the Federated States of Micronesia.**

19                               **Article IV**

20       **Service in Armed Forces of the United States**  
21       **Section 341**

22       **Any person entitled to the privileges set**  
23 **forth in Section 141 (with the exception of any**  
24 **person described in section 141(a)(5) who is**  
25 **not a citizen of the Federated States of Micro-**

1 nesia) shall be eligible to volunteer for service  
2 in the Armed Forces of the United States, but  
3 shall not be subject to involuntary induction  
4 into military service of the United States as  
5 long as such person has resided in the United  
6 States for a period of less than one year, pro-  
7 vided that no time shall count towards this  
8 one year while a person admitted to the  
9 United States under the Compact, or the Com-  
10 pact, as amended, is engaged in full-time  
11 study in the United States. Any person de-  
12 scribed in section 141(a)(5) who is not a cit-  
13 izen of the Federated States of Micronesia  
14 shall be subject to United States laws relating  
15 to selective service.

16 **Section 342**

17       **The Government of the United States**  
18 **shall have enrolled, at any one time, at least**  
19 **one qualified student from the Federated**  
20 **States of Micronesia, as may be nominated by**  
21 **the Government of the Federated States of Mi-**  
22 **cronesia, in each of:**

23       **(a) The United States Coast Guard Acad-**  
24 **emy pursuant to 14 U.S.C. 195.**

1       **(b) The United States Merchant Marine**  
2 **Academy pursuant to 46 U.S.C. 1295(b)(6), pro-**  
3 **vided that the provisions of 46 U.S.C.**  
4 **1295b(b)(6)(C) shall not apply to the enroll-**  
5 **ment of students pursuant to section 342(b) of**  
6 **this Compact, as amended.**

7                               **Article V**

8                               **General Provisions**

9 **Section 351**

10       **(a) The Government of the United States**  
11 **and the Government of the Federated States**  
12 **of Micronesia shall continue to maintain a**  
13 **Joint Committee empowered to consider dis-**  
14 **putes arising under the implementation of**  
15 **this Title and its related agreements.**

16       **(b) The membership of the Joint Com-**  
17 **mittee shall comprise selected senior officials**  
18 **of the two Governments. The senior United**  
19 **States military commander in the Pacific area**  
20 **shall be the senior United States member of**  
21 **the Joint Committee. For the meetings of the**  
22 **Joint Committee, each of the two Govern-**  
23 **ments may designate additional or alternate**  
24 **representatives as appropriate for the subject**  
25 **matter under consideration.**

1       (c) Unless otherwise mutually agreed, the  
2 Joint Committee shall meet annually at a time  
3 and place to be designated, after appropriate  
4 consultation, by the Government of the  
5 United States. The Joint Committee also shall  
6 meet promptly upon request of either of its  
7 members. The Joint Committee shall follow  
8 such procedures, including the establishment  
9 of functional subcommittees, as the members  
10 may from time to time agree. Upon notifica-  
11 tion by the Government of the United States,  
12 the Joint Committee of the United States and  
13 the Federated States of Micronesia shall meet  
14 promptly in a combined session with the  
15 Joint Committee established and maintained  
16 by the Government of the United States and  
17 the Republic of the Marshall Islands to con-  
18 sider matters within the jurisdiction of the  
19 two Joint Committees.

20       (d) Unresolved issues in the Joint Com-  
21 mittee shall be referred to the Governments  
22 for resolution, and the Government of the  
23 Federated States of Micronesia shall be af-  
24 farded, on an expeditious basis, an oppor-  
25 tunity to raise its concerns with the United

1 States Secretary of Defense personally re-  
2 garding any unresolved issue which threatens  
3 its continued association with the Govern-  
4 ment of the United States.

5 **Section 352**

6 In the exercise of its authority and re-  
7 sponsibility under Title Three, the Govern-  
8 ment of the United States shall accord due re-  
9 spect to the authority and responsibility of  
10 the Government of the Federated States of Mi-  
11 cronesia under Titles One, Two and Four and  
12 to the responsibility of the Government of the  
13 Federated States of Micronesia to assure the  
14 well-being of its people.

15 **Section 353**

16 (a) The Government of the United States  
17 shall not include the Government of the Fed-  
18 erated States of Micronesia as a named party  
19 to a formal declaration of war, without that  
20 Government's consent.

21 (b) Absent such consent, this Compact, as  
22 amended, is without prejudice, on the ground  
23 of belligerence or the existence of a state of  
24 war, to any claims for damages which are ad-  
25 vanced by the citizens, nationals or Govern-



1 ment of the Federated States of Micronesia,  
2 which arise out of armed conflict subsequent  
3 to November 3, 1986, and which are:

4 (1) petitions to the Government of the  
5 United States for redress; or

6 (2) claims in any manner against the  
7 government, citizens, nationals or enti-  
8 ties of any third country.

9 (c) Petitions under section 353(b)(1) shall  
10 be treated as if they were made by citizens of  
11 the United States.

12 **Section 354**

13 (a) The Government of the United States  
14 and the Government of the Federated States  
15 of Micronesia are jointly committed to con-  
16 tinue their security and defense relations, as  
17 set forth in this Title. Accordingly, it is the in-  
18 tention of the two countries that the provi-  
19 sions of this Title shall remain binding as long  
20 as this Compact, as amended, remains in ef-  
21 fect, and thereafter as mutually agreed, un-  
22 less earlier terminated by mutual agreement  
23 pursuant to section 441, or amended pursuant  
24 to Article III of Title Four. If at any time the  
25 Government of the United States, or the Gov-

1 ernment of the Federated States of Micro-  
2 nesia, acting unilaterally, terminates this  
3 Title, such unilateral termination shall be  
4 considered to be termination of the entire  
5 Compact, in which case the provisions of sec-  
6 tion 442 and 452 (in the case of termination  
7 by the Government of the United States) or  
8 sections 443 and 453 (in the case of termi-  
9 nation by the Government of the Federated  
10 States of Micronesia), with the exception of  
11 paragraph (3) of subsection (a) of section 452  
12 or paragraph (3) of subsection (a) of section  
13 453, as the case may be, shall apply.

14 (b) The Government of the United States  
15 recognizes, in view of the special relationship  
16 between the Government of the United States  
17 and the Government of the Federated States  
18 of Micronesia, and in view of the existence of  
19 the separate agreement regarding mutual se-  
20 curity concluded with the Government of the  
21 Federated States of Micronesia pursuant to  
22 sections 321 and 323, that, even if this Title  
23 should terminate, any attack on the Fed-  
24 erated States of Micronesia during the period  
25 in which such separate agreement is in effect,

1 would constitute a threat to the peace and se-  
2 curity of the entire region and a danger to the  
3 United States. In the event of such an attack,  
4 the Government of the United States would  
5 take action to meet the danger to the United  
6 States and to the Federated States of Micro-  
7 nesia in accordance with its constitutional  
8 processes.

9 (c) As reflected in Article 21(1)(b) of the  
10 Trust Fund Agreement, the Government of  
11 the United States and the Government of the  
12 Federated States of Micronesia further recog-  
13 nize, in view of the special relationship be-  
14 tween their countries, that even if this Title  
15 should terminate, the Government of the Fed-  
16 erated States of Micronesia shall refrain from  
17 actions which the Government of the United  
18 States determines, after appropriate consulta-  
19 tion with that Government, to be incompat-  
20 ible with its authority and responsibility for  
21 security and defense matters in or relating to  
22 the Federated States of Micronesia or the Re-  
23 public of the Marshall Islands.

1 **TITLE FOUR**

2 **GENERAL PROVISIONS**

3 **Article I**

4 **Approval and Effective Date**

5 **Section 411**

6 **Pursuant to section 432 of the Compact**  
7 **and subject to subsection (e) of section 461 of**  
8 **the Compact, as amended, the Compact, as**  
9 **amended, shall come into effect upon mutual**  
10 **agreement between the Government of the**  
11 **United States and the Government of the Fed-**  
12 **erated States of Micronesia subsequent to**  
13 **completion of the following:**

14 **(a) Approval by the Government of**  
15 **the Federated States of Micronesia in ac-**  
16 **cordance with its constitutional proc-**  
17 **esses.**

18 **(b) Approval by the Government of**  
19 **the United States in accordance with its**  
20 **constitutional processes.**

21 **Article II**

22 **Conference and Dispute Resolution**

23 **Section 421**

24 **The Government of the United States**  
25 **shall confer promptly at the request of the**

1 **Government of the Federated States of Micro-**  
2 **nesia and that Government shall confer**  
3 **promptly at the request of the Government of**  
4 **the United States on matters relating to the**  
5 **provisions of this Compact, as amended, or of**  
6 **its related agreements.**

7 **Section 422**

8 **In the event the Government of the**  
9 **United States or the Government of the Fed-**  
10 **erated States of Micronesia, after conferring**  
11 **pursuant to section 421, determines that there**  
12 **is a dispute and gives written notice thereof,**  
13 **the two Governments shall make a good faith**  
14 **effort to resolve the dispute between them-**  
15 **selves.**

16 **Section 423**

17 **If a dispute between the Government of**  
18 **the United States and the Government of the**  
19 **Federated States of Micronesia cannot be re-**  
20 **solved within 90 days of written notification**  
21 **in the manner provided in section 422, either**  
22 **party to the dispute may refer it to arbitra-**  
23 **tion in accordance with section 424.**

24 **Section 424**

1       Should a dispute be referred to arbitra-  
2       tion as provided for in section 423, an Arbitra-  
3       tion Board shall be established for the pur-  
4       pose of hearing the dispute and rendering a  
5       decision which shall be binding upon the two  
6       parties to the dispute unless the two parties  
7       mutually agree that the decision shall be advi-  
8       sory. Arbitration shall occur according to the  
9       following terms:

10           (a) An Arbitration Board shall consist  
11       of a Chairman and two other members,  
12       each of whom shall be a citizen of a party  
13       to the dispute. Each of the two Govern-  
14       ments which is a party to the dispute  
15       shall appoint one member to the Arbitra-  
16       tion Board. If either party to the dispute  
17       does not fulfill the appointment require-  
18       ments of this section within 30 days of re-  
19       ferral of the dispute to arbitration pursu-  
20       ant to section 423, its member on the Ar-  
21       bitration Board shall be selected from its  
22       own standing list by the other party to  
23       the dispute. Each Government shall  
24       maintain a standing list of 10 candidates.  
25       The parties to the dispute shall jointly

1       **appoint a Chairman within 15 days after**  
2       **selection of the other members of the Ar-**  
3       **bitration Board. Failing agreement on a**  
4       **Chairman, the Chairman shall be chosen**  
5       **by lot from the standing lists of the par-**  
6       **ties to the dispute within 5 days after**  
7       **such failure.**

8           **(b) Unless otherwise provided in this**  
9       **Compact, as amended, or its related**  
10      **agreements, the Arbitration Board shall**  
11      **have jurisdiction to hear and render its**  
12      **final determination on all disputes aris-**  
13      **ing exclusively under Articles I, II, III, IV**  
14      **and V of Title One, Title Two, Title Four,**  
15      **and their related agreements.**

16          **(c) Each member of the Arbitration**  
17      **Board shall have one vote. Each decision**  
18      **of the Arbitration Board shall be reached**  
19      **by majority vote.**

20          **(d) In determining any legal issue, the**  
21      **Arbitration Board may have reference to**  
22      **international law and, in such reference,**  
23      **shall apply as guidelines the provisions**  
24      **set forth in Article 38 of the Statute of**  
25      **the International Court of Justice.**

1           (e) The Arbitration Board shall adopt  
2       such rules for its proceedings as it may  
3       deem appropriate and necessary, but  
4       such rules shall not contravene the provi-  
5       sions of this Compact, as amended. Un-  
6       less the parties provide otherwise by mu-  
7       tual agreement, the Arbitration Board  
8       shall endeavor to render its decision  
9       within 30 days after the conclusion of ar-  
10      guments. The Arbitration Board shall  
11      make findings of fact and conclusions of  
12      law and its members may issue dis-  
13      senting or individual opinions. Except as  
14      may be otherwise decided by the Arbitra-  
15      tion Board, one-half of all costs of the ar-  
16      bitration shall be borne by the Govern-  
17      ment of the United States and the re-  
18      mainder shall be borne by the Govern-  
19      ment of the Federated States of Micro-  
20      nesia.

### 21                           Article III

### 22                           Amendment

#### 23   Section 431

24       The provisions of this Compact, as amend-  
25   ed, may be further amended by mutual agree-



1 ment of the Government of the United States  
2 and the Government of the Federated States  
3 of Micronesia, in accordance with their re-  
4 spective constitutional processes.

#### 5 Article IV

#### 6 Termination

##### 7 Section 441

8 This Compact, as amended, may be termi-  
9 nated by mutual agreement of the Govern-  
10 ment of the Federated States of Micronesia  
11 and the Government of the United States, in  
12 accordance with their respective constitu-  
13 tional processes. Such mutual termination of  
14 this Compact, as amended, shall be without  
15 prejudice to the continued application of sec-  
16 tion 451 of this Compact, as amended, and the  
17 provisions of the Compact, as amended, set  
18 forth therein.

##### 19 Section 442

20 Subject to section 452, this Compact, as  
21 amended, may be terminated by the Govern-  
22 ment of the United States in accordance with  
23 its constitutional processes. Such termination  
24 shall be effective on the date specified in the  
25 notice of termination by the Government of

1 the United States but not earlier than six  
2 months following delivery of such notice. The  
3 time specified in the notice of termination  
4 may be extended. Such termination of this  
5 Compact, as amended, shall be without preju-  
6 dice to the continued application of section  
7 452 of this Compact, as amended, and the pro-  
8 visions of the Compact, as amended, set forth  
9 therein.

10 **Section 443**

11       This Compact, as amended, shall be termi-  
12 nated by the Government of the Federated  
13 States of Micronesia, pursuant to its constitu-  
14 tional processes, subject to section 453 if the  
15 people represented by that Government vote  
16 in a plebiscite to terminate the Compact, as  
17 amended, or by another process permitted by  
18 the FSM constitution and mutually agreed be-  
19 tween the Governments of the United States  
20 and the Federated States of Micronesia. The  
21 Government of the Federated States of Micro-  
22 nesia shall notify the Government of the  
23 United States of its intention to call such a  
24 plebiscite, or to pursue another mutually  
25 agreed and constitutional process, which

1 plebiscite or process shall take place not ear-  
2 lier than three months after delivery of such  
3 notice. The plebiscite or other process shall  
4 be administered by the Government of the  
5 Federated States of Micronesia in accordance  
6 with its constitutional and legislative proc-  
7 esses. If a majority of the valid ballots cast in  
8 the plebiscite or other process favors termi-  
9 nation, the Government of the Federated  
10 States of Micronesia shall, upon certification  
11 of the results of the plebiscite or other proc-  
12 ess, give notice of termination to the Govern-  
13 ment of the United States, such termination to  
14 be effective on the date specified in such no-  
15 tice but not earlier than three months fol-  
16 lowing the date of delivery of such notice. The  
17 time specified in the notice of termination  
18 may be extended.

## 19 Article V

### 20 Survivability

#### 21 Section 451

22 (a) Should termination occur pursuant to  
23 section 441, economic and other assistance by  
24 the Government of the United States shall  
25 continue only if and as mutually agreed by

1 the Governments of the United States and the  
2 Federated States of Micronesia, and in ac-  
3 cordance with the parties' respective con-  
4 stitutional processes.

5 (b) In view of the special relationship of  
6 the United States and the Federated States of  
7 Micronesia, as reflected in subsections (b) and  
8 (c) of section 354 of this Compact, as amended,  
9 and the separate agreement entered into con-  
10 sistent with those subsections, if termination  
11 occurs pursuant to section 441 prior to the  
12 twentieth anniversary of the effective date of  
13 this Compact, as amended, the United States  
14 shall continue to make contributions to the  
15 Trust Fund described in section 215 of this  
16 Compact, as amended.

17 (c) In view of the special relationship of  
18 the United States and the Federated States of  
19 Micronesia described in subsection (b) of this  
20 section, if termination occurs pursuant to sec-  
21 tion 441 following the twentieth anniversary  
22 of the effective date of this Compact, as  
23 amended, the Federated States of Micronesia  
24 shall be entitled to receive proceeds from the  
25 Trust Fund described in section 215 of this

1 Compact, as amended, in the manner de-  
2 scribed in those provisions and the Trust  
3 Fund Agreement governing the distribution  
4 of such proceeds.

5 **Section 452**

6 (a) Should termination occur pursuant to  
7 section 442 prior to the twentieth anniversary  
8 of the effective date of this Compact, as  
9 amended, the following provisions of this  
10 Compact, as amended, shall remain in full  
11 force and effect until the twentieth anniver-  
12 sary of the effective date of this Compact, as  
13 amended, and thereafter as mutually agreed:

14 (1) Article VI and sections 172, 173,  
15 176 and 177 of Title One;

16 (2) Sections 232 and 234 of Title Two;

17 (3) Title Three; and

18 (4) Articles II, III, V and VI of Title  
19 Four.

20 (b) Should termination occur pursuant to  
21 section 442 before the twentieth anniversary  
22 of the effective date of the Compact, as  
23 amended:

24 (1) Except as provided in paragraph

25 (2) of this subsection and subsection (c)

1       of this section, economic and other assist-  
2       ance by the United States shall continue  
3       only if and as mutually agreed by the  
4       Governments of the United States and  
5       the Federated States of Micronesia.

6           (2) In view of the special relationship  
7       of the United States and the Federated  
8       States of Micronesia, as reflected in sub-  
9       sections (b) and (c) of section 354 of this  
10      Compact, as amended, and the separate  
11      agreement regarding mutual security,  
12      and the Trust Fund Agreement, the  
13      United States shall continue to make con-  
14      tributions to the Trust Fund described in  
15      section 215 of this Compact, as amended,  
16      in the manner described in the Trust  
17      Fund Agreement.

18      (c) In view of the special relationship of  
19      the United States and the Federated States of  
20      Micronesia, as reflected in subsections 354(b)  
21      and (c) of this Compact, as amended, and the  
22      separate agreement regarding mutual secu-  
23      rity, and the Trust Fund Agreement, if termi-  
24      nation occurs pursuant to section 442 fol-  
25      lowing the twentieth anniversary of the effec-

1 tive date of this Compact, as amended, the  
2 Federated States of Micronesia shall continue  
3 to be eligible to receive proceeds from the  
4 Trust Fund described in section 215 of this  
5 Compact, as amended, in the manner de-  
6 scribed in those provisions and the Trust  
7 Fund Agreement.

8 **Section 453**

9 (a) Should termination occur pursuant to  
10 section 443 prior to the twentieth anniversary  
11 of the effective date of this Compact, as  
12 amended, the following provisions of this  
13 Compact, as amended, shall remain in full  
14 force and effect until the twentieth anniver-  
15 sary of the effective date of this Compact, as  
16 amended, and thereafter as mutually agreed:

17 (1) Article VI and sections 172, 173,  
18 176 and 177 of Title One;

19 (2) Sections 232 and 234 of Title Two;

20 (3) Title Three; and

21 (4) Articles II, III, V and VI of Title  
22 Four.

23 (b) Upon receipt of notice of termination  
24 pursuant to section 443, the Government of  
25 the United States and the Government of the

1 **Federated States of Micronesia shall promptly**  
2 **consult with regard to their future relation-**  
3 **ship. Except as provided in subsection (c) and**  
4 **(d) of this section, these consultations shall**  
5 **determine the level of economic and other as-**  
6 **sistance, if any, which the Government of the**  
7 **United States shall provide to the Govern-**  
8 **ment of the Federated States of Micronesia**  
9 **for the period ending on the twentieth anni-**  
10 **versary of the effective date of this Compact,**  
11 **as amended, and for any period thereafter, if**  
12 **mutually agreed.**

13       **(c) In view of the special relationship of**  
14 **the United States and the Federated States of**  
15 **Micronesia, as reflected in subsections 354(b)**  
16 **and (c) of this Compact, as amended, and the**  
17 **separate agreement regarding mutual secu-**  
18 **rity, and the Trust Fund Agreement, if termi-**  
19 **nation occurs pursuant to section 443 prior to**  
20 **the twentieth anniversary of the effective**  
21 **date of this Compact, as amended, the United**  
22 **States shall continue to make contributions to**  
23 **the Trust Fund described in section 215 of**  
24 **this Compact, as amended, in the manner de-**  
25 **scribed in the Trust Fund Agreement.**



1       (d) In view of the special relationship of  
2 the United States and the Federated States of  
3 Micronesia, as reflected in subsections 354(b)  
4 and (c) of this Compact, as amended, and the  
5 separate agreement regarding mutual secu-  
6 rity, and the Trust Fund Agreement, if termi-  
7 nation occurs pursuant to section 443 fol-  
8 lowing the twentieth anniversary of the effec-  
9 tive date of this Compact, as amended, the  
10 Federated States of Micronesia shall continue  
11 to be eligible to receive proceeds from the  
12 Trust Fund described in section 215 of this  
13 Compact, as amended, in the manner de-  
14 scribed in those provisions and the Trust  
15 Fund Agreement.

16 **Section 454**

17       Notwithstanding any other provision of  
18 this Compact, as amended:

19           (a) The Government of the United  
20 States reaffirms its continuing interest in  
21 promoting the economic advancement  
22 and budgetary self-reliance of the people  
23 of the Federated States of Micronesia.

1           **(b) The separate agreements referred**  
2           **to in Article II of Title Three shall remain**  
3           **in effect in accordance with their terms.**

## 4                           **Article VI**

### 5                           **Definition of Terms**

#### 6           **Section 461**

7           **For the purpose of this Compact, as**  
8           **amended, only, and without prejudice to the**  
9           **views of the Government of the United States**  
10          **or the Government of the Federated States of**  
11          **Micronesia as to the nature and extent of the**  
12          **jurisdiction of either of them under inter-**  
13          **national law, the following terms shall have**  
14          **the following meanings:**

15                  **(a) “Trust Territory of the Pacific Is-**  
16                  **lands” means the area established in the**  
17                  **Trusteeship Agreement consisting of the**  
18                  **former administrative districts of Kosrae,**  
19                  **Yap, Ponape, the Marshall Islands and**  
20                  **Truk as described in Title One, Trust Ter-**  
21                  **ritory Code, section 1, in force on Janu-**  
22                  **ary 1, 1979. This term does not include**  
23                  **the area of Palau or the Northern Mar-**  
24                  **iana Islands.**

1           (b) **“Trusteeship Agreement” means**  
2           **the agreement setting forth the terms of**  
3           **trusteeship for the Trust Territory of the**  
4           **Pacific Islands, approved by the Security**  
5           **Council of the United Nations April 2,**  
6           **1947, and by the United States July 18,**  
7           **1947, entered into force July 18, 1947, 61**  
8           **Stat. 3301, T.I.A.S. 1665, 8 U.N.T.S. 189.**

9           (c) **“The Federated States of Micro-**  
10          **nesia” and “the Republic of the Marshall**  
11          **Islands” are used in a geographic sense**  
12          **and include the land and water areas to**  
13          **the outer limits of the territorial sea and**  
14          **the air space above such areas as now or**  
15          **hereafter recognized by the Government**  
16          **of the United States.**

17          (d) **“Compact” means the Compact of**  
18          **Free Association Between the United**  
19          **States and the Federated States of Micro-**  
20          **nesia and the Marshall Islands, that was**  
21          **approved by the United States Congress**  
22          **in section 201 of Public Law 99-239 (Jan.**  
23          **14, 1986) and went into effect with re-**  
24          **spect to the Federated States of Micro-**  
25          **nesia on November 3, 1986.**

1           (e) “Compact, as amended” means the  
2           **Compact of Free Association Between the**  
3           **United States and the Federated States of**  
4           **Micronesia, as amended. The effective**  
5           **date of the Compact, as amended, shall**  
6           **be on a date to be determined by the**  
7           **President of the United States, and**  
8           **agreed to by the Government of the Fed-**  
9           **erated States of Micronesia, following for-**  
10          **mal approval of the Compact, as amend-**  
11          **ed, in accordance with section 411 of this**  
12          **Compact, as amended.**

13          (f) “Government of the Federated  
14          **States of Micronesia” means the Govern-**  
15          **ment established and organized by the**  
16          **Constitution of the Federated States of**  
17          **Micronesia including all the political sub-**  
18          **divisions and entities comprising that**  
19          **Government.**

20          (g) “Government of the Republic of  
21          **the Marshall Islands” means the Govern-**  
22          **ment established and organized by the**  
23          **Constitution of the Republic of the Mar-**  
24          **shall Islands including all the political**

1 subdivisions and entities comprising that  
2 Government.

3 (h) The following terms shall be de-  
4 fined consistent with the 1998 Edition of  
5 the Radio Regulations of the Inter-  
6 national Telecommunications Union as  
7 follows:

8 (1) “Radiocommunication” means  
9 telecommunication by means of radio  
10 waves.

11 (2) “Station” means one or more  
12 transmitters or receivers or a com-  
13 bination of transmitters and receiv-  
14 ers, including the accessory equip-  
15 ment, necessary at one location for  
16 carrying on a radiocommunication  
17 service, or the radio astronomy serv-  
18 ice.

19 (3) “Broadcasting Service” means  
20 a radiocommunication service in  
21 which the transmissions are intended  
22 for direct reception by the general  
23 public. This service may include  
24 sound transmissions, television trans-

1           missions or other types of trans-  
2           mission.

3           (4) “Broadcasting Station” means  
4           a station in the broadcasting service.

5           (5) “Assignment (of a radio fre-  
6           quency or radio frequency channel)”  
7           means an authorization given by an  
8           administration for a radio station to  
9           use a radio frequency or radio fre-  
10          quency channel under specified con-  
11          ditions.

12          (6) “Telecommunication” means  
13          any transmission, emission or recep-  
14          tion of signs, signals, writings, images  
15          and sounds or intelligence of any na-  
16          ture by wire, radio, optical or other  
17          electromagnetic systems.

18          (i) “Military Areas and Facilities”  
19          means those areas and facilities in the  
20          Federated States of Micronesia reserved  
21          or acquired by the Government of the  
22          Federated States of Micronesia for use by  
23          the Government of the United States, as  
24          set forth in the separate agreements re-  
25          ferred to in section 321.

1           (j) “Tariff Schedules of the United  
2       States” means the Tariff Schedules of the  
3       United States as amended from time to  
4       time and as promulgated pursuant to  
5       United States law and includes the Tariff  
6       Schedules of the United States Annotated  
7       (TSUSA), as amended.

8           (k) “Vienna Convention on Diplo-  
9       matic Relations” means the Vienna Con-  
10      vention on Diplomatic Relations, done  
11      April 18, 1961, 23 U.S.T. 3227, T.I.A.S.  
12      7502, 500 U.N.T.S. 95.

13   **Section 462**

14      (a) The Government of the United States  
15      and the Government of the Federated States  
16      of Micronesia previously have concluded  
17      agreements pursuant to the Compact, which  
18      shall remain in effect and shall survive in ac-  
19      cordance with their terms, as follows:

20           (1) Agreement Concluded Pursuant to  
21      Section 234 of the Compact;

22           (2) Agreement Between the Govern-  
23      ment of the United States and the Gov-  
24      ernment of the Federated States of Micro-  
25      nesia Regarding Friendship, Cooperation

1       **and Mutual Security Concluded Pursuant**  
2       **to Sections 321 and 323 of the Compact of**  
3       **Free Association; and**

4               **(3) Agreement between the Govern-**  
5       **ment of the United States of America and**  
6       **the Federated States of Micronesia Re-**  
7       **garding Aspects of the Marine Sov-**  
8       **ereignty and Jurisdiction of the Fed-**  
9       **erated States of Micronesia.**

10       **(b) The Government of the United States**  
11       **and the Government of the Federated States**  
12       **of Micronesia shall conclude prior to the date**  
13       **of submission of this Compact, as amended, to**  
14       **the legislatures of the two countries, the fol-**  
15       **lowing related agreements which shall come**  
16       **into effect on the effective date of this Com-**  
17       **pact, as amended, and shall survive in accord-**  
18       **ance with their terms, as follows:**

19               **(1) Federal Programs and Services**  
20       **Agreement Between the Government of**  
21       **the United States of America and the**  
22       **Government of the Federated States of**  
23       **Micronesia Concluded Pursuant to Arti-**  
24       **cle III of Title One, Article II of Title Two**  
25       **(including Section 222), and Section 231**



1       **of the Compact of Free Association, as**  
2       **amended which includes:**

3               **(i) Postal Services and Related**  
4       **Programs;**

5               **(ii) Weather Services and Related**  
6       **Programs;**

7               **(iii) Civil Aviation Safety Service**  
8       **and Related Programs;**

9               **(iv) Civil Aviation Economic Serv-**  
10       **ices and Related Programs;**

11               **(v) United States Disaster Pre-**  
12       **paredness and Response Services and**  
13       **Related Programs;**

14               **(vi) Federal Deposit Insurance**  
15       **Corporation Services and Related**  
16       **Programs; and**

17               **(vii) Telecommunications Services**  
18       **and Related Programs.**

19       **(2) Agreement Between the Govern-**  
20       **ment of the United States of America and**  
21       **the Government of the Federated States**  
22       **of Micronesia on Extradition, Mutual As-**  
23       **sistance in Law Enforcement Matters and**  
24       **Penal Sanctions Concluded Pursuant to**

1       **Section 175(a) of the Compact of Free As-**  
2       **sociation, as amended;**

3               **(3) Agreement Between the Govern-**  
4       **ment of the United States of America and**  
5       **the Government of the Federated States**  
6       **of Micronesia on Labor Recruitment Con-**  
7       **cluded Pursuant to Section 175(b) of the**  
8       **Compact of Free Association, as amend-**  
9       **ed;**

10              **(4) Agreement Concerning Proce-**  
11       **dures for the Implementation of United**  
12       **States Economic Assistance Provided in**  
13       **the Compact of Free Association, as**  
14       **Amended, of Free Association Between**  
15       **the Government of the United States of**  
16       **America and Government of the Fed-**  
17       **erated States of Micronesia;**

18              **(5) Agreement Between the Govern-**  
19       **ment of the United States of America and**  
20       **the Government of the Federated States**  
21       **of Micronesia Implementing Section 215**  
22       **and Section 216 of the Compact, as**  
23       **Amended, Regarding a Trust Fund;**

24              **(6) Agreement Regarding the Military**  
25       **Use and Operating Rights of the Govern-**

1        **ment of the United States in the Fed-**  
2        **erated States of Micronesia Concluded**  
3        **Pursuant to Sections 211(b), 321 and 323**  
4        **of the Compact of Free Association, as**  
5        **Amended; and the**

6            **(7) Status of Forces Agreement Be-**  
7        **tween the Government of the United**  
8        **States of America and the Government of**  
9        **the Federated States of Micronesia Con-**  
10       **cluded Pursuant to Section 323 of the**  
11       **Compact of Free Association, as Amend-**  
12       **ed.**

13       **Section 463**

14       **(a) Except as set forth in subsection (b) of**  
15       **this section, any reference in this Compact, as**  
16       **amended, to a provision of the United States**  
17       **Code or the Statutes at Large of the United**  
18       **States constitutes the incorporation of the**  
19       **language of such provision into this Compact,**  
20       **as amended, as such provision was in force on**  
21       **the effective date of this Compact, as amend-**  
22       **ed.**

23       **(b) Any reference in Articles IV and Arti-**  
24       **cle VI of Title One and Sections 174, 175, 178**  
25       **and 342 to a provision of the United States**

1 **Code or the Statutes at Large of the United**  
2 **States or to the Privacy Act, the Freedom of**  
3 **Information Act, the Administrative Proce-**  
4 **dure Act or the Immigration and Nationality**  
5 **Act constitutes the incorporation of the lan-**  
6 **guage of such provision into this Compact, as**  
7 **amended, as such provision was in force on**  
8 **the effective date of this Compact, as amend-**  
9 **ed, or as it may be amended thereafter on a**  
10 **non-discriminatory basis according to the**  
11 **constitutional processes of the United States.**

## 12 **Article VII**

### 13 **Concluding Provisions**

#### 14 **Section 471**

15 **Both the Government of the United States**  
16 **and the Government of the Federated States**  
17 **of Micronesia shall take all necessary steps, of**  
18 **a general or particular character, to ensure,**  
19 **no later than the entry into force date of this**  
20 **Compact, as amended, the conformity of its**  
21 **laws, regulations and administrative proce-**  
22 **dures with the provisions of this Compact, as**  
23 **amended, or in the case of subsection (d) of**  
24 **section 141, as soon as reasonably possible**  
25 **thereafter.**

1 **Section 472**

2       **This Compact, as amended, may be ac-**  
 3 **cepted, by signature or otherwise, by the Gov-**  
 4 **ernment of the United States and the Govern-**  
 5 **ment of the Federated States of Micronesia.**

6       **IN WITNESS WHEREOF, the undersigned,**  
 7 **duly authorized, have signed this Compact of**  
 8 **Free Association, as amended, which shall**  
 9 **enter into force upon the exchange of diplo-**  
 10 **matic notes by which the Government of the**  
 11 **United States of America and the Government**  
 12 **of the Federated States of Micronesia inform**  
 13 **each other about the fulfillment of their re-**  
 14 **spective requirements for entry into force.**

15       **DONE at Pohnpei, Federated States of Mi-**  
 16 **cronesia, in duplicate, this fourteenth (14) day**  
 17 **of May, 2003, each text being equally authen-**  
 18 **tic.**

Signed (May 14, 2003)  
 For the Government of the  
 United States of America:

Signed (May 14, 2003)  
 For the Government of the  
 Federated States of  
 Micronesia:

19       **(b) COMPACT OF FREE ASSOCIATION, AS**  
 20 **AMENDED, BETWEEN THE GOVERNMENT OF THE**  
 21 **UNITED STATES OF AMERICA AND THE GOVERN-**  
 22 **MENT OF THE REPUBLIC OF THE MARSHALL IS-**  
 23 **LANDS**

1                   **PREAMBLE**

2   **THE GOVERNMENT OF THE UNITED**  
3       **STATES OF AMERICA AND THE GOV-**  
4       **ERNMENT OF THE REPUBLIC OF THE**  
5       **MARSHALL ISLANDS**

6       **Affirming that their Governments and**  
7   **their relationship as Governments are found-**  
8   **ed upon respect for human rights and funda-**  
9   **mental freedoms for all, and that the people**  
10 **of the Republic of the Marshall Islands have**  
11 **the right to enjoy self-government; and**

12       **Affirming the common interests of the**  
13 **United States of America and the Republic of**  
14 **the Marshall Islands in creating and main-**  
15 **taining their close and mutually beneficial re-**  
16 **lationship through the free and voluntary as-**  
17 **sociation of their respective Governments;**  
18 **and**

19       **Affirming the interest of the Government**  
20 **of the United States in promoting the eco-**  
21 **nomic advancement and budgetary self-reli-**  
22 **ance of the Republic of the Marshall Islands;**  
23 **and**

24       **Recognizing that their relationship until**  
25 **the entry into force on October 21, 1986 of the**

1 Compact was based upon the International  
2 Trusteeship System of the United Nations  
3 Charter, and in particular Article 76 of the  
4 Charter; and that pursuant to Article 76 of the  
5 Charter, the people of the Republic of the  
6 Marshall Islands have progressively devel-  
7 oped their institutions of self-government,  
8 and that in the exercise of their sovereign  
9 right to self-determination they, through  
10 their freely-expressed wishes, have adopted a  
11 Constitution appropriate to their particular  
12 circumstances; and

13 Recognizing that the Compact reflected  
14 their common desire to terminate the Trust-  
15 eeship and establish a government-to-govern-  
16 ment relationship which was in accordance  
17 with the new political status based on the  
18 freely expressed wishes of the people of the  
19 Republic of the Marshall Islands and appro-  
20 priate to their particular circumstances; and

21 Recognizing that the people of the Repub-  
22 lic of the Marshall Islands have and retain  
23 their sovereignty and their sovereign right to  
24 self-determination and the inherent right to  
25 adopt and amend their own Constitution and

1 form of government and that the approval of  
2 the entry of the Government of the Republic  
3 of the Marshall Islands into the Compact by  
4 the people of the Republic of the Marshall Is-  
5 lands constituted an exercise of their sov-  
6 ereign right to self-determination; and

7 Recognizing the common desire of the  
8 people of the United States and the people of  
9 the Republic of the Marshall Islands to main-  
10 tain their close government-to-government  
11 relationship, the United States and the Re-  
12 public of the Marshall Islands:

13 NOW, THEREFORE, MUTUALLY AGREE  
14 to continue and strengthen their relationship  
15 of free association by amending the Compact,  
16 which continues to provide a full measure of  
17 self-government for the people of the Repub-  
18 lic of the Marshall Islands; and

19 FURTHER AGREE that the relationship  
20 of free association derives from and is as set  
21 forth in this Compact, as amended, by the  
22 Governments of the United States and the Re-  
23 public of the Marshall Islands; and that, dur-  
24 ing such relationship of free association, the  
25 respective rights and responsibilities of the



1 **Government of the United States and the Gov-**  
2 **ernment of the Republic of the Marshall Is-**  
3 **lands in regard to this relationship of free as-**  
4 **sociation derive from and are as set forth in**  
5 **this Compact, as amended.**

6 **TITLE ONE**

7 **GOVERNMENTAL RELATIONS**

8 **Article I**

9 **Self-Government**

10 **Section 111**

11 **The people of the Republic of the Marshall**  
12 **Islands, acting through the Government es-**  
13 **tablished under their Constitution, are self-**  
14 **governing.**

15 **Article II**

16 **Foreign Affairs**

17 **Section 121**

18 **(a) The Government of the Republic of the**  
19 **Marshall Islands has the capacity to conduct**  
20 **foreign affairs and shall do so in its own name**  
21 **and right, except as otherwise provided in**  
22 **this Compact, as amended.**

23 **(b) The foreign affairs capacity of the Gov-**  
24 **ernment of the Republic of the Marshall Is-**  
25 **lands includes:**

1           (1) the conduct of foreign affairs re-  
2           lating to law of the sea and marine re-  
3           sources matters, including the har-  
4           vesting, conservation, exploration or ex-  
5           ploitation of living and non-living re-  
6           sources from the sea, seabed or subsoil to  
7           the full extent recognized under inter-  
8           national law;

9           (2) the conduct of its commercial, dip-  
10          lomatic, consular, economic, trade, bank-  
11          ing, postal, civil aviation, communica-  
12          tions, and cultural relations, including  
13          negotiations for the receipt of develop-  
14          mental loans and grants and the conclu-  
15          sion of arrangements with other govern-  
16          ments and international and intergovern-  
17          mental organizations, including any mat-  
18          ters specially benefiting its individual  
19          citizens.

20          (c) The Government of the United States  
21          recognizes that the Government of the Repub-  
22          lic of the Marshall Islands has the capacity to  
23          enter into, in its own name and right, treaties  
24          and other international agreements with gov-

1 ernments and regional and international or-  
2 ganizations.

3 (d) In the conduct of its foreign affairs,  
4 the Government of the Republic of the Mar-  
5 shall Islands confirms that it shall act in ac-  
6 cordance with principles of international law  
7 and shall settle its international disputes by  
8 peaceful means.

9 **Section 122**

10 The Government of the United States  
11 shall support applications by the Government  
12 of the Republic of the Marshall Islands for  
13 membership or other participation in re-  
14 gional or international organizations as may  
15 be mutually agreed.

16 **Section 123**

17 (a) In recognition of the authority and re-  
18 sponsibility of the Government of the United  
19 States under Title Three, the Government of  
20 the Republic of the Marshall Islands shall  
21 consult, in the conduct of its foreign affairs,  
22 with the Government of the United States.

23 (b) In recognition of the foreign affairs ca-  
24 pacity of the Government of the Republic of  
25 the Marshall Islands, the Government of the

1 United States, in the conduct of its foreign af-  
2 fairs, shall consult with the Government of  
3 the Republic of the Marshall Islands on mat-  
4 ters that the Government of the United States  
5 regards as relating to or affecting the Govern-  
6 ment of the Republic of the Marshall Islands.

7 **Section 124**

8       The Government of the United States may  
9 assist or act on behalf of the Government of  
10 the Republic of the Marshall Islands in the  
11 area of foreign affairs as may be requested  
12 and mutually agreed from time to time. The  
13 Government of the United States shall not be  
14 responsible to third parties for the actions of  
15 the Government of the Republic of the Mar-  
16 shall Islands undertaken with the assistance  
17 or through the agency of the Government of  
18 the United States pursuant to this section un-  
19 less expressly agreed.

20 **Section 125**

21       The Government of the United States  
22 shall not be responsible for nor obligated by  
23 any actions taken by the Government of the  
24 Republic of the Marshall Islands in the area

1 of foreign affairs, except as may from time to  
2 time be expressly agreed.

3 **Section 126**

4 At the request of the Government of the  
5 Republic of the Marshall Islands and subject  
6 to the consent of the receiving state, the Gov-  
7 ernment of the United States shall extend  
8 consular assistance on the same basis as for  
9 citizens of the United States to citizens of the  
10 Republic of the Marshall Islands for travel  
11 outside the Republic of the Marshall Islands,  
12 the United States and its territories and pos-  
13 sessions.

14 **Section 127**

15 Except as otherwise provided in this Com-  
16 pact, as amended, or its related agreements,  
17 all obligations, responsibilities, rights and  
18 benefits of the Government of the United  
19 States as Administering Authority which re-  
20 sulted from the application pursuant to the  
21 Trusteeship Agreement of any treaty or other  
22 international agreement to the Trust Terri-  
23 tory of the Pacific Islands on October 20, 1986,  
24 are, as of that date, no longer assumed and en-  
25 joyed by the Government of the United States.

1 **Article III**  
2 **Communications**

3 **Section 131**

4 (a) The Government of the Republic of the  
5 Marshall Islands has full authority and re-  
6 sponsibility to regulate its domestic and for-  
7 eign communications, and the Government of  
8 the United States shall provide communica-  
9 tions assistance as mutually agreed.

10 (b) The Government of the Republic of the  
11 Marshall Islands has elected to undertake all  
12 functions previously performed by the Gov-  
13 ernment of the United States with respect to  
14 domestic and foreign communications, except  
15 for those functions set forth in a separate  
16 agreement entered into pursuant to this sec-  
17 tion of the Compact, as amended.

18 **Section 132**

19 The Government of the Republic of the  
20 Marshall Islands shall permit the Government  
21 of the United States to operate telecommuni-  
22 cations services in the Republic of the Mar-  
23 shall Islands to the extent necessary to fulfill  
24 the obligations of the Government of the  
25 United States under this Compact, as amend-

1 ed, in accordance with the terms of separate  
2 agreements entered into pursuant to this sec-  
3 tion of the Compact, as amended.

#### 4 Article IV

#### 5 Immigration

#### 6 Section 141

7 (a) In furtherance of the special and  
8 unique relationship that exists between the  
9 United States and the Republic of the Mar-  
10 shall Islands, under the Compact, as amend-  
11 ed, any person in the following categories  
12 may be admitted to lawfully engage in occu-  
13 pations, and establish residence as a non-  
14 immigrant in the United States and its terri-  
15 tories and possessions (the "United States")  
16 without regard to paragraphs (5) or  
17 (7)(B)(i)(II) of section 212(a) of the Immigra-  
18 tion and Nationality Act, as amended, 8 U.S.C.  
19 1182(a)(5) or (7)(B)(i)(II):

20 (1) a person who, on October 21, 1986,  
21 was a citizen of the Trust Territory of the  
22 Pacific Islands, as defined in Title 53 of  
23 the Trust Territory Code in force on Jan-  
24 uary 1, 1979, and has become and re-

1        **mains a citizen of the Republic of the**  
2        **Marshall Islands;**

3            **(2) a person who acquires the citizen-**  
4        **ship of the Republic of the Marshall Is-**  
5        **lands at birth, on or after the effective**  
6        **date of the Constitution of the Republic**  
7        **of the Marshall Islands;**

8            **(3) an immediate relative of a person**  
9        **referred to in paragraphs (1) or (2) of this**  
10       **section, provided that such immediate**  
11       **relative is a naturalized citizen of the Re-**  
12       **public of the Marshall Islands who has**  
13       **been an actual resident there for not less**  
14       **than five years after attaining such natu-**  
15       **ralization and who holds a certificate of**  
16       **actual residence, and further provided,**  
17       **that, in the case of a spouse, such spouse**  
18       **has been married to the person referred**  
19       **to in paragraph (1) or (2) of this section**  
20       **for at least five years, and further pro-**  
21       **vided, that the Government of the United**  
22       **States is satisfied that such naturalized**  
23       **citizen meets the requirement of sub-**  
24       **section (b) of section 104 of Public Law**  
25       **99-239 as it was in effect on the day prior**



1       to the effective date of this Compact, as  
2       amended;

3           (4) a naturalized citizen of the Repub-  
4       lic of the Marshall Islands who was an ac-  
5       tual resident there for not less than five  
6       years after attaining such naturalization  
7       and who satisfied these requirements as  
8       of April 30, 2003, who continues to be an  
9       actual resident and holds a certificate of  
10      actual residence, and whose name is in-  
11      cluded in a list furnished by the Govern-  
12      ment of the Republic of the Marshall Is-  
13      lands to the Government of the United  
14      States no later than the effective date of  
15      the Compact, as amended, in form and  
16      content acceptable to the Government of  
17      the United States, provided, that the Gov-  
18      ernment of the United States is satisfied  
19      that such naturalized citizen meets the  
20      requirement of subsection (b) of section  
21      104 of Public Law 99-239 as it was in ef-  
22      fect on the day prior to the effective date  
23      of this Compact, as amended; or

24           (5) an immediate relative of a citizen  
25      of the Republic of the Marshall Islands,

1       **regardless of the immediate relative's**  
2       **country of citizenship or period of resi-**  
3       **dence in the Republic of the Marshall Is-**  
4       **lands, if the citizen of the Republic of the**  
5       **Marshall Islands is serving on active duty**  
6       **in any branch of the United States Armed**  
7       **Forces, or in the active reserves.**

8       **(b) Notwithstanding subsection (a) of this**  
9       **section, a person who is coming to the United**  
10       **States pursuant to an adoption outside the**  
11       **United States, or for the purpose of adoption**  
12       **in the United States, is ineligible for admis-**  
13       **sion under the Compact and the Compact, as**  
14       **amended. This subsection shall apply to any**  
15       **person who is or was an applicant for admis-**  
16       **sion to the United States on or after March 1,**  
17       **2003, including any applicant for admission in**  
18       **removal proceedings (including appellate**  
19       **proceedings) on or after March 1, 2003, re-**  
20       **gardless of the date such proceedings were**  
21       **commenced. This subsection shall have no ef-**  
22       **fect on the ability of the Government of the**  
23       **United States or any United States State or**  
24       **local government to commence or otherwise**  
25       **take any action against any person or entity**

1 who has violated any law relating to the adop-  
2 tion of any person.

3 (c) Notwithstanding subsection (a) of this  
4 section, no person who has been or is granted  
5 citizenship in the Republic of the Marshall Is-  
6 lands, or has been or is issued a Republic of  
7 the Marshall Islands passport pursuant to any  
8 investment, passport sale, or similar program  
9 has been or shall be eligible for admission to  
10 the United States under the Compact or the  
11 Compact, as amended.

12 (d) A person admitted to the United States  
13 under the Compact, or the Compact, as  
14 amended, shall be considered to have the per-  
15 mission of the Government of the United  
16 States to accept employment in the United  
17 States. An unexpired Republic of the Marshall  
18 Islands passport with unexpired documenta-  
19 tion issued by the Government of the United  
20 States evidencing admission under the Com-  
21 pact or the Compact, as amended, shall be  
22 considered to be documentation establishing  
23 identity and employment authorization under  
24 section 274A(b)(1)(B) of the Immigration and  
25 Nationality Act, as amended, 8 U.S.C.

1 **1324a(b)(1)(B). The Government of the United**  
2 **States will take reasonable and appropriate**  
3 **steps to implement and publicize this provi-**  
4 **sion, and the Government of the Republic of**  
5 **the Marshall Islands will also take reasonable**  
6 **and appropriate steps to publicize this provi-**  
7 **sion.**

8 **(e) For purposes of the Compact and the**  
9 **Compact, as amended,**

10 **(1) the term “residence” with respect**  
11 **to a person means the person’s principal,**  
12 **actual dwelling place in fact, without re-**  
13 **gard to intent, as provided in section**  
14 **101(a)(33) of the Immigration and Nation-**  
15 **ality Act, as amended, 8 U.S.C.**  
16 **1101(a)(33), and variations of the term**  
17 **“residence,” including “resident” and “re-**  
18 **side,” shall be similarly construed;**

19 **(2) the term “actual residence” means**  
20 **physical presence in the Republic of the**  
21 **Marshall Islands during eighty-five per-**  
22 **cent of the five-year period of residency**  
23 **required by section 141(a)(3) and (4);**

24 **(3) the term “certificate of actual resi-**  
25 **dence” means a certificate issued to a**

1       naturalized citizen by the Government of  
2       the Republic of the Marshall Islands stat-  
3       ing that the citizen has complied with the  
4       actual residence requirement of section  
5       141(a)(3) or (4);

6           (4) the term “nonimmigrant” means  
7       an alien who is not an “immigrant” as de-  
8       fined in section 101(a)(15) of such Act, 8  
9       U.S.C. 1101(a)(15); and

10          (5) the term “immediate relative”  
11       means a spouse, or unmarried son or un-  
12       married daughter less than 21 years of  
13       age.

14       (f) The Immigration and Nationality Act,  
15       as amended, shall apply to any person admit-  
16       ted or seeking admission to the United States  
17       (other than a United States possession or ter-  
18       ritory where such Act does not apply) under  
19       the Compact or the Compact, as amended,  
20       and nothing in the Compact or the Compact,  
21       as amended, shall be construed to limit, pre-  
22       clude, or modify the applicability of, with re-  
23       spect to such person:

24           (1) any ground of inadmissibility or  
25       deportability under such Act (except sec-

1        **tions 212(a)(5) and 212(a)(7)(B)(i)(II) of**  
2        **such Act, as provided in subsection (a) of**  
3        **this section), and any defense thereto,**  
4        **provided that, section 237(a)(5) of such**  
5        **Act shall be construed and applied as if it**  
6        **reads as follows: “any alien who has been**  
7        **admitted under the Compact, or the Com-**  
8        **pact, as amended, who cannot show that**  
9        **he or she has sufficient means of support**  
10       **in the United States, is deportable;”**

11       **(2) the authority of the Government**  
12       **of the United States under section**  
13       **214(a)(1) of such Act to provide that ad-**  
14       **mission as a nonimmigrant shall be for**  
15       **such time and under such conditions as**  
16       **the Government of the United States may**  
17       **by regulations prescribe;**

18       **(3) except for the treatment of certain**  
19       **documentation for purposes of section**  
20       **274A(b)(1)(B) of such Act as provided by**  
21       **subsection (d) of this section of the Com-**  
22       **pact, as amended, any requirement under**  
23       **section 274A, including but not limited to**  
24       **section 274A(b)(1)(E);**

1           (4) section 643 of the Illegal Immigra-  
2           tion Reform and Immigrant Responsi-  
3           bility Act of 1996, Public Law 104-208,  
4           and actions taken pursuant to section  
5           643; and

6           (5) the authority of the Government  
7           of the United States otherwise to admin-  
8           ister and enforce the Immigration and  
9           Nationality Act, as amended, or other  
10          United States law.

11          (g) Any authority possessed by the Gov-  
12          ernment of the United States under this sec-  
13          tion of the Compact or the Compact, as  
14          amended, may also be exercised by the Gov-  
15          ernment of a territory or possession of the  
16          United States where the Immigration and Na-  
17          tionality Act, as amended, does not apply, to  
18          the extent such exercise of authority is lawful  
19          under a statute or regulation of such territory  
20          or possession that is authorized by the laws  
21          of the United States.

22          (h) Subsection (a) of this section does not  
23          confer on a citizen of the Republic of the Mar-  
24          shall Islands the right to establish the resi-  
25          dence necessary for naturalization under the

1 Immigration and Nationality Act, as amended,  
2 or to petition for benefits for alien relatives  
3 under that Act. Subsection (a) of this section,  
4 however, shall not prevent a citizen of the Re-  
5 public of the Marshall Islands from otherwise  
6 acquiring such rights or lawful permanent  
7 resident alien status in the United States.

8 **Section 142**

9       (a) Any citizen or national of the United  
10 States may be admitted to lawfully engage in  
11 occupations, and reside in the Republic of the  
12 Marshall Islands, subject to the rights of the  
13 Government of the Republic of the Marshall  
14 Islands to deny entry to or deport any such  
15 citizen or national as an undesirable alien.  
16 Any determination of inadmissibility or de-  
17 portability shall be based on reasonable statu-  
18 tory grounds and shall be subject to appro-  
19 priate administrative and judicial review  
20 within the Republic of the Marshall Islands.  
21 If a citizen or national of the United States is  
22 a spouse of a citizen of the Republic of the  
23 Marshall Islands, the Government of the Re-  
24 public of the Marshall Islands shall allow the  
25 United States citizen spouse to establish resi-



1   dence. Should the Republic of the Marshall Is-  
2   lands citizen spouse predecease the United  
3   States citizen spouse during the marriage, the  
4   Government of the Republic of the Marshall  
5   Islands shall allow the United States citizen  
6   spouse to continue to reside in the Republic  
7   of the Marshall Islands.

8       (b) In enacting any laws or imposing any  
9   requirements with respect to citizens and na-  
10   tionals of the United States entering the Re-  
11   public of the Marshall Islands under sub-  
12   section (a) of this section, including any  
13   grounds of inadmissibility or deportability,  
14   the Government of the Republic of the Mar-  
15   shall Islands shall accord to such citizens and  
16   nationals of the United States treatment no  
17   less favorable than that accorded to citizens  
18   of other countries.

19       (c) Consistent with subsection (a) of this  
20   section, with respect to citizens and nationals  
21   of the United States seeking to engage in em-  
22   ployment or invest in the Republic of the Mar-  
23   shall Islands, the Government of the Republic  
24   of the Marshall Islands shall adopt immigra-  
25   tion-related procedures no less favorable than

1 those adopted by the Government of the  
2 United States with respect to citizens of the  
3 Republic of the Marshall Islands seeking em-  
4 ployment in the United States.

5 **Section 143**

6 Any person who relinquishes, or other-  
7 wise loses, his United States nationality or  
8 citizenship, or his Republic of the Marshall Is-  
9 lands citizenship, shall be ineligible to receive  
10 the privileges set forth in sections 141 and  
11 142. Any such person may apply for admission  
12 to the United States or the Republic of the  
13 Marshall Islands, as the case may be, in ac-  
14 cordance with any other applicable laws of  
15 the United States or the Republic of the Mar-  
16 shall Islands relating to immigration of aliens  
17 from other countries. The laws of the Repub-  
18 lic of the Marshall Islands or the United  
19 States, as the case may be, shall dictate the  
20 terms and conditions of any such person's  
21 stay.

22 **Article V**

23 **Representation**

24 **Section 151**

1       **Relations between the Government of the**  
2 **United States and the Government of the Re-**  
3 **public of the Marshall Islands shall be con-**  
4 **ducted in accordance with the Vienna Con-**  
5 **vention on Diplomatic Relations. In addition**  
6 **to diplomatic missions and representation,**  
7 **the Governments may establish and maintain**  
8 **other offices and designate other representa-**  
9 **tives on terms and in locations as may be mu-**  
10 **tually agreed.**

11 **Section 152**

12       **(a) Any citizen or national of the United**  
13 **States who, without authority of the United**  
14 **States, acts as the agent of the Government of**  
15 **the Republic of the Marshall Islands with re-**  
16 **gard to matters specified in the provisions of**  
17 **the Foreign Agents Registration Act of 1938,**  
18 **as amended (22 U.S.C. 611 et seq.), that apply**  
19 **with respect to an agent of a foreign principal**  
20 **shall be subject to the requirements of such**  
21 **Act. Failure to comply with such require-**  
22 **ments shall subject such citizen or national to**  
23 **the same penalties and provisions of law as**  
24 **apply in the case of the failure of such an**  
25 **agent of a foreign principal to comply with**

1 such requirements. For purposes of the For-  
2 eign Agents Registration Act of 1938, the Re-  
3 public of the Marshall Islands shall be consid-  
4 ered to be a foreign country.

5 (b) Subsection (a) of this section shall not  
6 apply to a citizen or national of the United  
7 States employed by the Government of the Re-  
8 public of the Marshall Islands with respect to  
9 whom the Government of the Republic of the  
10 Marshall Islands from time to time certifies to  
11 the Government of the United States that  
12 such citizen or national is an employee of the  
13 Republic of the Marshall Islands whose prin-  
14 cipal duties are other than those matters  
15 specified in the Foreign Agents Registration  
16 Act of 1938, as amended, that apply with re-  
17 spect to an agent of a foreign principal. The  
18 agency or officer of the United States receiv-  
19 ing such certifications shall cause them to be  
20 filed with the Attorney General, who shall  
21 maintain a publicly available list of the per-  
22 sons so certified.

## 23 Article VI

### 24 Environmental Protection

#### 25 Section 161

1       **The Governments of the United States**  
2 **and the Republic of the Marshall Islands de-**  
3 **clare that it is their policy to promote efforts**  
4 **to prevent or eliminate damage to the envi-**  
5 **ronment and biosphere and to enrich under-**  
6 **standing of the natural resources of the Re-**  
7 **public of the Marshall Islands. In order to**  
8 **carry out this policy, the Government of the**  
9 **United States and the Government of the Re-**  
10 **public of the Marshall Islands agree to the fol-**  
11 **lowing mutual and reciprocal undertakings:**

12           **(a) The Government of the United**  
13       **States:**

14           **(1) shall, for its activities con-**  
15       **trolled by the U.S. Army at Kwajalein**  
16       **Atoll and in the Mid-Atoll Corridor**  
17       **and for U.S. Army Kwajalein Atoll ac-**  
18       **tivities in the Republic of the Mar-**  
19       **shall Islands, continue to apply the**  
20       **Environmental Standards and Proce-**  
21       **dures for United States Army Kwaja-**  
22       **lein Atoll Activities in the Republic of**  
23       **the Marshall Islands, unless and until**  
24       **those Standards or Procedures are**  
25       **modified by mutual agreement of the**

1       **Governments of the United States**  
2       **and the Republic of the Marshall Is-**  
3       **lands;**

4               **(2) shall apply the National Envi-**  
5       **ronmental Policy Act of 1969, 83 Stat.**  
6       **852, 42 U.S.C. 4321 et seq., to its ac-**  
7       **tivities under the Compact, as amend-**  
8       **ed, and its related agreements as if**  
9       **the Republic of the Marshall Islands**  
10       **were the United States;**

11               **(3) in the conduct of any activity**  
12       **not described in section 161(a)(1) re-**  
13       **quiring the preparation of an Envi-**  
14       **ronmental Impact Statement under**  
15       **section 161(a)(2), shall comply with**  
16       **standards substantively similar to**  
17       **those required by the following laws**  
18       **of the United States, taking into ac-**  
19       **count the particular environment of**  
20       **the Republic of the Marshall Islands;**  
21       **the Endangered Species Act of 1973,**  
22       **as amended, 16 U.S.C. 1531 et seq.; the**  
23       **Clean Air Act, as amended, 42 U.S.C.**  
24       **7401 et seq.; the Clean Water Act**  
25       **(Federal Water Pollution Control**

1           Act), as amended, 33 U.S.C. 1251 et  
2           seq.; Title I of the Marine Protection,  
3           Research and Sanctuaries Act of 1972  
4           (the Ocean Dumping Act), 33 U.S.C.  
5           1411 et seq.; the Toxic Substances  
6           Control Act, as amended, 15 U.S.C.  
7           2601 et seq.; the Solid Waste Disposal  
8           Act, as amended, 42 U.S.C. 6901 et  
9           seq.; and such other environmental  
10          protection laws of the United States  
11          and the Republic of the Marshall Is-  
12          lands as may be agreed from time to  
13          time with the Government of the Re-  
14          public of the Marshall Islands;

15               (4) shall, prior to conducting any  
16               activity not described in section  
17               161(a)(1) requiring the preparation of  
18               an Environmental Impact Statement  
19               under section 161(a)(2), develop, as  
20               agreed with the Government of the  
21               Republic of the Marshall Islands,  
22               written environmental standards and  
23               procedures to implement the sub-  
24               stantive provisions of the laws made  
25               applicable to U.S. Government activi-

1           ties in the Republic of the Marshall  
2           Islands, pursuant to section 161(a)(3).

3           (b) The Government of the Republic  
4           of the Marshall Islands shall continue to  
5           develop and implement standards and  
6           procedures to protect its environment. As  
7           a reciprocal obligation to the under-  
8           takings of the Government of the United  
9           States under this Article, the Republic of  
10          the Marshall Islands, taking into account  
11          its particular environment, shall con-  
12          tinue to develop and implement stand-  
13          ards for environmental protection sub-  
14          stantively similar to those required of the  
15          Government of the United States by sec-  
16          tion 161(a)(3) prior to its conducting ac-  
17          tivities in the Republic of the Marshall Is-  
18          lands, substantively equivalent to activi-  
19          ties conducted there by the Government  
20          of the United States and, as a further re-  
21          ciprocal obligation, shall enforce those  
22          standards.

23          (c) Section 161(a), including any  
24          standard or procedure applicable there-  
25          under, and section 161(b) may be modi-



1       **fied or superseded in whole or in part by**  
2       **agreement of the Government of the**  
3       **United States and the Government of the**  
4       **Republic of the Marshall Islands.**

5           **(d) In the event that an Environ-**  
6       **mental Impact Statement is no longer re-**  
7       **quired under the laws of the United**  
8       **States for major Federal actions signifi-**  
9       **cantly affecting the quality of the human**  
10       **environment, the regulatory regime es-**  
11       **tablished under sections 161(a)(3) and**  
12       **161(a)(4) shall continue to apply to such**  
13       **activities of the Government of the**  
14       **United States until amended by mutual**  
15       **agreement.**

16           **(e) The President of the United States**  
17       **may exempt any of the activities of the**  
18       **Government of the United States under**  
19       **this Compact, as amended, and its related**  
20       **agreements from any environmental**  
21       **standard or procedure which may be ap-**  
22       **plicable under sections 161(a)(3) and**  
23       **161(a)(4) if the President determines it to**  
24       **be in the paramount interest of the Gov-**  
25       **ernment of the United States to do so,**

1       **consistent with Title Three of this Com-**  
2       **pact, as amended, and the obligations of**  
3       **the Government of the United States**  
4       **under international law. Prior to any de-**  
5       **cision pursuant to this subsection, the**  
6       **views of the Government of the Republic**  
7       **of the Marshall Islands shall be sought**  
8       **and considered to the extent practicable.**  
9       **If the President grants such an exemp-**  
10      **tion, to the extent practicable, a report**  
11      **with his reasons for granting such ex-**  
12      **emption shall be given promptly to the**  
13      **Government of the Republic of the Mar-**  
14      **shall Islands.**

15           **(f) The laws of the United States re-**  
16      **ferred to in section 161(a)(3) shall apply**  
17      **to the activities of the Government of the**  
18      **United States under this Compact, as**  
19      **amended, and its related agreements only**  
20      **to the extent provided for in this section.**

21      **Section 162**

22      **The Government of the Republic of the**  
23      **Marshall Islands may bring an action for judi-**  
24      **cial review of any administrative agency ac-**  
25      **tion or any activity of the Government of the**

1 **United States pursuant to section 161(a) for**  
2 **enforcement of the obligations of the Govern-**  
3 **ment of the United States arising thereunder.**  
4 **The United States District Court for the Dis-**  
5 **trict of Hawaii and the United States District**  
6 **Court for the District of Columbia shall have**  
7 **jurisdiction over such action or activity, and**  
8 **over actions brought under section 172(b)**  
9 **which relate to the activities of the Govern-**  
10 **ment of the United States and its officers and**  
11 **employees, governed by section 161, provided**  
12 **that:**

13           **(a) Such actions may only be civil ac-**  
14 **tions for any appropriate civil relief**  
15 **other than punitive damages against the**  
16 **Government of the United States or,**  
17 **where required by law, its officers in**  
18 **their official capacity; no criminal ac-**  
19 **tions may arise under this section.**

20           **(b) Actions brought pursuant to this**  
21 **section may be initiated only by the Gov-**  
22 **ernment of the Republic of the Marshall**  
23 **Islands.**

24           **(c) Administrative agency actions**  
25 **arising under section 161 shall be re-**

1 viewed pursuant to the standard of judi-  
2 cial review set forth in 5 U.S.C. 706.

3 (d) The United States District Court  
4 for the District of Hawaii and the United  
5 States District Court for the District of  
6 Columbia shall have jurisdiction to issue  
7 all necessary processes, and the Govern-  
8 ment of the United States agrees to sub-  
9 mit itself to the jurisdiction of the court;  
10 decisions of the United States District  
11 Court shall be reviewable in the United  
12 States Court of Appeals for the Ninth Cir-  
13 cuit or the United States Court of Ap-  
14 peals for the District of Columbia, respec-  
15 tively, or in the United States Supreme  
16 Court as provided by the laws of the  
17 United States.

18 (e) The judicial remedy provided for  
19 in this section shall be the exclusive rem-  
20 edy for the judicial review or enforce-  
21 ment of the obligations of the Govern-  
22 ment of the United States under this Arti-  
23 cle and actions brought under section  
24 172(b), which relate to the activities of  
25 the Government of the United States and

1       its officers and employees governed by  
2       section 161.

3           (f) In actions pursuant to this section,  
4       the Government of the Republic of the  
5       Marshall Islands shall be treated as if it  
6       were a United States citizen.

7   **Section 163**

8       (a) For the purpose of gathering data nec-  
9       essary to study the environmental effects of  
10      activities of the Government of the United  
11      States subject to the requirements of this Ar-  
12      ticle, the Government of the Republic of the  
13      Marshall Islands shall be granted access to fa-  
14      cilities operated by the Government of the  
15      United States in the Republic of the Marshall  
16      Islands, to the extent necessary for this pur-  
17      pose, except to the extent such access would  
18      unreasonably interfere with the exercise of  
19      the authority and responsibility of the Gov-  
20      ernment of the United States under Title  
21      Three.

22      (b) The Government of the United States,  
23      in turn, shall be granted access to the Repub-  
24      lic of the Marshall Islands for the purpose of  
25      gathering data necessary to discharge its obli-

1 gations under this Article, except to the ex-  
2 tent such access would unreasonably inter-  
3 fere with the exercise of the authority and re-  
4 sponsibility of the Government of the Repub-  
5 lic of the Marshall Islands under Title One,  
6 and to the extent necessary for this purpose  
7 shall be granted access to documents and  
8 other information to the same extent similar  
9 access is provided the Government of the Re-  
10 public of the Marshall Islands under the Free-  
11 dom of Information Act, 5 U.S.C. 552.

12 (c) The Government of the Republic of the  
13 Marshall Islands shall not impede efforts by  
14 the Government of the United States to com-  
15 ply with applicable standards and proce-  
16 dures.

## 17 Article VII

### 18 General Legal Provisions

#### 19 Section 171

20 Except as provided in this Compact, as  
21 amended, or its related agreements, the appli-  
22 cation of the laws of the United States to the  
23 Trust Territory of the Pacific Islands by vir-  
24 tue of the Trusteeship Agreement ceased with

1 respect to the Marshall Islands on October 21,  
2 1986, the date the Compact went into effect.

3 **Section 172**

4 (a) Every citizen of the Republic of the  
5 Marshall Islands who is not a resident of the  
6 United States shall enjoy the rights and rem-  
7 edies under the laws of the United States en-  
8 joyed by any non-resident alien.

9 (b) The Government of the Republic of the  
10 Marshall Islands and every citizen of the Re-  
11 public of the Marshall Islands shall be consid-  
12 ered to be a “person” within the meaning of  
13 the Freedom of Information Act, 5 U.S.C. 552,  
14 and of the judicial review provisions of the  
15 Administrative Procedure Act, 5 U.S.C. 701-  
16 706, except that only the Government of the  
17 Republic of the Marshall Islands may seek ju-  
18 dicial review under the Administrative Proce-  
19 dure Act or judicial enforcement under the  
20 Freedom of Information Act when such judi-  
21 cial review or enforcement relates to the ac-  
22 tivities of the Government of the United  
23 States governed by sections 161 and 162.

24 **Section 173**

1       **The Governments of the United States**  
2 **and the Republic of the Marshall Islands**  
3 **agree to adopt and enforce such measures,**  
4 **consistent with this Compact, as amended,**  
5 **and its related agreements, as may be nec-**  
6 **essary to protect the personnel, property, in-**  
7 **stallations, services, programs and official ar-**  
8 **chives and documents maintained by the Gov-**  
9 **ernment of the United States in the Republic**  
10 **of the Marshall Islands pursuant to this Com-**  
11 **pact, as amended, and its related agreements**  
12 **and by the Government of the Republic of the**  
13 **Marshall Islands in the United States pursu-**  
14 **ant to this Compact, Compact, as amended,**  
15 **and its related agreements.**

16 **Section 174**

17       **Except as otherwise provided in this Com-**  
18 **pact, as amended, and its related agreements:**

19           **(a) The Government of the Republic**  
20       **of the Marshall Islands, and its agencies**  
21       **and officials, shall be immune from the**  
22       **jurisdiction of the court of the United**  
23       **States, and the Government of the United**  
24       **States, and its agencies and officials,**  
25       **shall be immune from the jurisdiction of**



1       **the courts of the Republic of the Marshall**  
2       **Islands.**

3           **(b) The Government of the United**  
4       **States accepts responsibility for and shall**  
5       **pay:**

6           **(1) any unpaid money judgment**  
7       **rendered by the High Court of the**  
8       **Trust Territory of the Pacific Islands**  
9       **against the Government of the United**  
10      **States with regard to any cause of ac-**  
11      **tion arising as a result of acts or**  
12      **omissions of the Government of the**  
13      **Trust Territory of the Pacific Islands**  
14      **or the Government of the United**  
15      **States prior to October 21, 1986;**

16          **(2) any claim settled by the claim-**  
17      **ant and the Government of the Trust**  
18      **Territory of the Pacific Islands but**  
19      **not paid as of the October 21, 1986;**  
20      **and**

21          **(3) settlement of any administra-**  
22      **tive claim or of any action before a**  
23      **court of the Trust Territory of the Pa-**  
24      **cific Islands or the Government of the**  
25      **United States, arising as a result of**

1           acts or omissions of the Government  
2           of the Trust Territory of the Pacific  
3           Islands or the Government of the  
4           United States.

5           (c) Any claim not referred to in sec-  
6           tion 174(b) and arising from an act or  
7           omission of the Government of the Trust  
8           Territory of the Pacific Islands or the  
9           Government of the United States prior to  
10          the effective date of the Compact shall be  
11          adjudicated in the same manner as a  
12          claim adjudicated according to section  
13          174(d). In any claim against the Govern-  
14          ment of the Trust Territory of the Pacific  
15          Islands, the Government of the United  
16          States shall stand in the place of the Gov-  
17          ernment of the Trust Territory of the Pa-  
18          cific Islands. A judgment on any claim re-  
19          ferred to in section 174(b) or this sub-  
20          section, not otherwise satisfied by the  
21          Government of the United States, may be  
22          presented for certification to the United  
23          States Court of Appeals for the Federal  
24          Circuit, or its successor courts, which  
25          shall have jurisdiction therefore, notwith-

1       standing the provisions of 28 U.S.C. 1502,  
2       and which court's decisions shall be re-  
3       viewable as provided by the laws of the  
4       United States. The United States Court of  
5       Appeals for the Federal Circuit shall cer-  
6       tify such judgment, and order payment  
7       thereof, unless it finds, after a hearing,  
8       that such judgment is manifestly erro-  
9       neous as to law or fact, or manifestly ex-  
10      cessive. In either of such cases the United  
11      States Court of Appeals for the Federal  
12      Circuit shall have jurisdiction to modify  
13      such judgment.

14           (d) The Government of the Republic  
15      of the Marshall Islands shall not be im-  
16      mune from the jurisdiction of the courts  
17      of the United States, and the Government  
18      of the United States shall not be immune  
19      from the jurisdiction of the courts of the  
20      Republic of the Marshall Islands in any  
21      civil case in which an exception to for-  
22      eign state immunity is set forth in the  
23      Foreign Sovereign Immunities Act (28  
24      U.S.C. 1602 et seq.) or its successor stat-  
25      utes.

**1 Section 175**

**2 (a) A separate agreement, which shall**  
**3 come into effect simultaneously with this**  
**4 Compact, as amended, and shall have the**  
**5 force of law, shall govern mutual assistance**  
**6 and cooperation in law enforcement matters,**  
**7 including the pursuit, capture, imprisonment**  
**8 and extradition of fugitives from justice and**  
**9 the transfer of prisoners, as well as other law**  
**10 enforcement matters. In the United States,**  
**11 the laws of the United States governing inter-**  
**12 national extradition, including 18 U.S.C. 3184,**  
**13 3186, and 3188–95, shall be applicable to the**  
**14 extradition of fugitives under the separate**  
**15 agreement, and the laws of the United States**  
**16 governing the transfer of prisoners, including**  
**17 18 U.S.C. 4100–15, shall be applicable to the**  
**18 transfer of prisoners under the separate**  
**19 agreement; and**

**20 (b) A separate agreement, which shall**  
**21 come into effect simultaneously with this**  
**22 Compact, as amended, and shall have the**  
**23 force of law, shall govern requirements relat-**  
**24 ing to labor recruitment practices, including**  
**25 registration, reporting, suspension or revoca-**

1 tion of authorization to recruit persons for  
2 employment in the United States, and en-  
3 forcement for violations of such require-  
4 ments.

5 **Section 176**

6       The Government of the Republic of the  
7 Marshall Islands confirms that final judg-  
8 ments in civil cases rendered by any court of  
9 the Trust Territory of the Pacific Islands shall  
10 continue in full force and effect, subject to the  
11 constitutional power of the courts of the Re-  
12 public of the Marshall Islands to grant relief  
13 from judgments in appropriate cases.

14 **Section 177**

15       Section 177 of the Compact entered into  
16 force with respect to the Marshall Islands on  
17 October 21, 1986 as follows:

18           “(a) The Government of the United  
19 States accepts the responsibility for com-  
20 pensation owing to citizens of the Mar-  
21 shall Islands, or the Federated States of  
22 Micronesia, (or Palau) for loss or damage  
23 to property and person of the citizens of  
24 the Marshall Islands, or the Federated  
25 States of Micronesia, resulting from the

1        nuclear testing program which the Gov-  
2        ernment of the United States conducted  
3        in the Northern Marshall Islands between  
4        June 30, 1946, and August 18, 1958.

5            (b) The Government of the United  
6        States and the Government of the Mar-  
7        shall Islands shall set forth in a separate  
8        agreement provisions for the just and  
9        adequate settlement of all such claims  
10       which have arisen in regard to the Mar-  
11       shall Islands and its citizens and which  
12       have not as yet been compensated or  
13       which in the future may arise, for the  
14       continued administration by the Govern-  
15       ment of the United States of direct radi-  
16       ation related medical surveillance and  
17       treatment programs and radiological  
18       monitoring activities and for such addi-  
19       tional programs and activities as may be  
20       mutually agreed, and for the assumption  
21       by the Government of the Marshall Is-  
22       lands of responsibility for enforcement of  
23       limitations on the utilization of affected  
24       areas developed in cooperation with the  
25       Government of the United States and for

1       the assistance by the Government of the  
2       United States in the exercise of such re-  
3       sponsibility as may be mutually agreed.  
4       This separate agreement shall come into  
5       effect simultaneously with this Compact  
6       and shall remain in effect in accordance  
7       with its own terms.

8           (c) The Government of the United  
9       States shall provide to the Government of  
10      the Marshall Islands, on a grant basis, the  
11      amount of \$150 million to be paid and  
12      distributed in accordance with the sepa-  
13      rate agreement referred to in this Sec-  
14      tion, and shall provide the services and  
15      programs set forth in this separate agree-  
16      ment, the language of which is incor-  
17      porated into this Compact.”

18   The Compact, as amended, makes no changes  
19   to, and has no effect upon, Section 177 of the  
20   Compact, nor does the Compact, as amended,  
21   change or affect the separate agreement re-  
22   ferred to in Section 177 of the Compact in-  
23   cluding Articles IX and X of that separate  
24   agreement, and measures taken by the parties  
25   thereunder.

**1 Section 178**

**2 (a) The Federal agencies of the Govern-**  
**3 ment of the United States that provide serv-**  
**4 ices and related programs in the Republic of**  
**5 the Marshall Islands pursuant to Title Two**  
**6 are authorized to settle and pay tort claims**  
**7 arising in the Republic of the Marshall Is-**  
**8 lands from the activities of such agencies or**  
**9 from the acts or omissions of the employees**  
**10 of such agencies. Except as provided in sec-**  
**11 tion 178(b), the provisions of 28 U.S.C. 2672**  
**12 and 31 U.S.C. 1304 shall apply exclusively to**  
**13 such administrative settlements and pay-**  
**14 ments.**

**15 (b) Claims under section 178(a) that can-**  
**16 not be settled under section 178(a) shall be**  
**17 disposed of exclusively in accordance with Ar-**  
**18 ticle II of Title Four. Arbitration awards ren-**  
**19 dered pursuant to this subsection shall be**  
**20 paid out of funds under 31 U.S.C. 1304.**

**21 (c) The Government of the United States**  
**22 and the Government of the Republic of the**  
**23 Marshall Islands shall, in the separate agree-**  
**24 ment referred to in section 231, provide for:**



1           **(1) the administrative settlement of**  
2           **claims referred to in section 178(a), in-**  
3           **cluding designation of local agents in**  
4           **each State of the Republic of the Mar-**  
5           **shall Islands; such agents to be empow-**  
6           **ered to accept, investigate and settle**  
7           **such claims, in a timely manner, as pro-**  
8           **vided in such separate agreements; and**

9           **(2) arbitration, referred to in section**  
10          **178(b), in a timely manner, at a site con-**  
11          **venient to the claimant, in the event a**  
12          **claim is not otherwise settled pursuant to**  
13          **section 178(a).**

14          **(d) The provisions of section 174(d) shall**  
15          **not apply to claims covered by this section.**

16          **(e) Except as otherwise explicitly pro-**  
17          **vided by law of the United States, this Com-**  
18          **pact, as amended, or its related agreements,**  
19          **neither the Government of the United States,**  
20          **its instrumentalities, nor any person acting**  
21          **on behalf of the Government of the United**  
22          **States, shall be named a party in any action**  
23          **based on, or arising out of, the activity or ac-**  
24          **tivities of a recipient of any grant or other as-**  
25          **sistance provided by the Government of the**

1 **United States (or the activity or activities of**  
2 **the recipient's agency or any other person or**  
3 **entity acting on behalf of the recipient).**

4 **Section 179**

5 **(a) The courts of the Republic of the Mar-**  
6 **shall Islands shall not exercise criminal juris-**  
7 **diction over the Government of the United**  
8 **States, or its instrumentalities.**

9 **(b) The courts of the Republic of the Mar-**  
10 **shall Islands shall not exercise criminal juris-**  
11 **diction over any person if the Government of**  
12 **the United States provides notification to the**  
13 **Government of the Republic of the Marshall**  
14 **Islands that such person was acting on behalf**  
15 **of the Government of the United States, for**  
16 **actions taken in furtherance of section 221 or**  
17 **224 of this amended Compact, or any other**  
18 **provision of law authorizing financial, pro-**  
19 **gram, or service assistance to the Republic of**  
20 **the Marshall Islands.**

21 **TITLE TWO**

22 **ECONOMIC RELATIONS**

23 **Article I**

24 **Grant Assistance**

25 **Section 211 - Annual Grant Assistance**

1       (a) In order to assist the Government of  
2 the Republic of the Marshall Islands in its ef-  
3 forts to promote the economic advancement  
4 and budgetary self-reliance of its people, and  
5 in recognition of the special relationship that  
6 exists between the Republic of the Marshall  
7 Islands and the United States, the Govern-  
8 ment of the United States shall provide assist-  
9 ance on a grant basis for a period of twenty  
10 years in the amounts set forth in section 217,  
11 commencing on the effective date of this Com-  
12 pact, as amended. Such grants shall be used  
13 for assistance in education, health care, the  
14 environment, public sector capacity building,  
15 and private sector development, or for other  
16 areas as mutually agreed, with priorities in  
17 the education and health care sectors. Con-  
18 sistent with the medium-term budget and in-  
19 vestment framework described in subsection  
20 (f) of this section, the proposed division of  
21 this amount among the identified areas shall  
22 require the concurrence of both the Govern-  
23 ment of the United States and the Govern-  
24 ment of the Republic of the Marshall Islands,  
25 through the Joint Economic Management and

1 **Financial Accountability Committee de-**  
2 **scribed in section 214. The Government of the**  
3 **United States shall disburse the grant assist-**  
4 **ance and monitor the use of such grant assist-**  
5 **ance in accordance with the provisions of this**  
6 **Article and an Agreement Concerning Proce-**  
7 **dures for the Implementation of United States**  
8 **Economic Assistance Provided in the Com-**  
9 **pact, as Amended, of Free Association Be-**  
10 **tween the Government of the United States of**  
11 **America and the Government of the Republic**  
12 **of the Marshall Islands (“Fiscal Procedures**  
13 **Agreement”)** which shall come into effect si-  
14 **multaneously with this Compact, as amended.**

15           **(1) EDUCATION.—United States grant**  
16 **assistance shall be made available in ac-**  
17 **cordance with the strategic framework**  
18 **described in subsection (f) of this section**  
19 **to support and improve the educational**  
20 **system of the Republic of the Marshall Is-**  
21 **lands and develop the human, financial,**  
22 **and material resources necessary for the**  
23 **Republic of the Marshall Islands to per-**  
24 **form these services. Emphasis should be**

1 placed on advancing a quality basic edu-  
2 cation system.

3 (2) **HEALTH.**—United States grant as-  
4 sistance shall be made available in ac-  
5 cordance with the strategic framework  
6 described in subsection (f) of this section  
7 to support and improve the delivery of  
8 preventive, curative and environmental  
9 care and develop the human, financial,  
10 and material resources necessary for the  
11 Republic of the Marshall Islands to per-  
12 form these services.

13 (3) **PRIVATE SECTOR DEVELOPMENT.**—  
14 United States grant assistance shall be  
15 made available in accordance with the  
16 strategic framework described in sub-  
17 section (f) of this section to support the  
18 efforts of the Republic of the Marshall Is-  
19 lands to attract foreign investment and  
20 increase indigenous business activity by  
21 vitalizing the commercial environment,  
22 ensuring fair and equitable application of  
23 the law, promoting adherence to core  
24 labor standards, maintaining progress to-  
25 ward privatization of state-owned and

1 partially state-owned enterprises, and en-  
2 gaging in other reforms.

3 (4) CAPACITY BUILDING IN THE PUBLIC  
4 SECTOR.—United States grant assistance  
5 shall be made available in accordance  
6 with the strategic framework described  
7 in subsection (f) of this section to support  
8 the efforts of the Republic of the Mar-  
9 shall Islands to build effective, account-  
10 able and transparent national and local  
11 government and other public sector insti-  
12 tutions and systems.

13 (5) ENVIRONMENT.—United States  
14 grant assistance shall be made available  
15 in accordance with the strategic frame-  
16 work described in subsection (f) of this  
17 section to increase environmental protec-  
18 tion; establish and manage conservation  
19 areas; engage in environmental infra-  
20 structure planning, design construction  
21 and operation; and to involve the citizens  
22 of the Republic of the Marshall Islands in  
23 the process of conserving their country's  
24 natural resources.

25 (b) KWAJALEIN ATOLL.—

1           **(1) Of the total grant assistance made**  
2           **available under subsection (a) of this sec-**  
3           **tion, the amount specified herein shall be**  
4           **allocated annually from fiscal year 2004**  
5           **through fiscal year 2023 (and thereafter**  
6           **in accordance with the Agreement be-**  
7           **tween the Government of the United**  
8           **States and the Government of the Repub-**  
9           **lic of the Marshall Islands Regarding**  
10          **Military Use and Operating Rights) to ad-**  
11          **vance the objectives and specific prior-**  
12          **ities set forth in subsections (a) and (d) of**  
13          **this section and the Fiscal Procedures**  
14          **Agreement, to address the special needs**  
15          **of the community at Ebeye, Kwajalein**  
16          **Atoll and other Marshallese communities**  
17          **within Kwajalein Atoll. This United**  
18          **States grant assistance shall be made**  
19          **available, in accordance with the me-**  
20          **dium-term budget and investment frame-**  
21          **work described in subsection (f) of this**  
22          **section, to support and improve the infra-**  
23          **structure and delivery of services and de-**  
24          **velop the human and material resources**  
25          **necessary for the Republic of the Mar-**

1 shall Islands to carry out its responsi-  
2 bility to maintain such infrastructure  
3 and deliver such services. The amount of  
4 this assistance shall be \$3,100,000, with  
5 an inflation adjustment as provided in  
6 section 218, from fiscal year 2004 through  
7 fiscal year 2013 and the fiscal year 2013  
8 level of funding, with an inflation adjust-  
9 ment as provided in section 218, will be  
10 increased by \$2 million for fiscal year  
11 2014. The fiscal year 2014 level of fund-  
12 ing, with an inflation adjustment as pro-  
13 vided in section 218, will be made avail-  
14 able from fiscal year 2015 through fiscal  
15 year 2023 (and thereafter as noted  
16 above).

17 (2) The Government of the United  
18 States shall also provide to the Govern-  
19 ment of the Republic of the Marshall Is-  
20 lands, in conjunction with section 321(a)  
21 of this Compact, as amended, an annual  
22 payment from fiscal year 2004 through  
23 fiscal year 2023 (and thereafter in accord-  
24 ance with the Agreement between the  
25 Government of the United States and the



1       **Government of the Republic of the Mar-**  
2       **shall Islands Regarding Military Use and**  
3       **Operating Rights) of \$1.9 million. This**  
4       **grant assistance will be subject to the**  
5       **Fiscal Procedures Agreement and will be**  
6       **adjusted for inflation under section 218**  
7       **and used to address the special needs of**  
8       **the community at Ebeye, Kwajalein Atoll**  
9       **and other Marshallese communities with-**  
10      **in Kwajalein Atoll with emphasis on the**  
11      **Kwajalein landowners, as described in**  
12      **the Fiscal Procedures Agreement.**

13           **(3) Of the total grant assistance made**  
14      **available under subsection (a) of this sec-**  
15      **tion, and in conjunction with section**  
16      **321(a) of the Compact, as amended,**  
17      **\$200,000, with an inflation adjustment as**  
18      **provided in section 218, shall be allocated**  
19      **annually from fiscal year 2004 through**  
20      **fiscal year 2023 (and thereafter as pro-**  
21      **vided in the Agreement between the Gov-**  
22      **ernment of the United States and the**  
23      **Government of the Republic of the Mar-**  
24      **shall Islands Regarding Military Use and**  
25      **Operating Rights) for a grant to support**

1       increased participation of the Govern-  
2       ment of the Republic of the Marshall Is-  
3       lands Environmental Protection Author-  
4       ity in the annual U.S. Army Kwajalein  
5       Atoll Environmental Standards Survey  
6       and to promote a greater Government of  
7       the Republic of the Marshall Islands ca-  
8       pacity for independent analysis of the  
9       Survey's findings and conclusions.

10       (c) HUMANITARIAN ASSISTANCE-REPUBLIC OF  
11 THE MARSHALL ISLANDS PROGRAM.—In recogni-  
12 tion of the special development needs of the  
13 Republic of the Marshall Islands, the Govern-  
14 ment of the United States shall make avail-  
15 able to the Government of the Republic of the  
16 Marshall Islands, on its request and to be de-  
17 ducted from the grant amount made available  
18 under subsection (a) of this section, a Human-  
19 itarian Assistance - Republic of the Marshall  
20 Islands ("HARMI") Program with emphasis on  
21 health, education, and infrastructure (includ-  
22 ing transportation), projects and such other  
23 projects as mutually agreed. The terms and  
24 conditions of the HARMI shall be set forth in  
25 the Agreement Regarding the Military Use

1 and Operating Rights of the Government of  
2 the United States in the Republic of the Mar-  
3 shall Islands Concluded Pursuant to Sections  
4 321 and 323 of the Compact of Free Associa-  
5 tion, as Amended, which shall come into effect  
6 simultaneously with the amendments to this  
7 Compact.

8 (d) PUBLIC INFRASTRUCTURE.—

9 (1) Unless otherwise agreed, not less  
10 than 30 percent and not more than 50  
11 percent of U.S. annual grant assistance  
12 provided under this section shall be  
13 made available in accordance with a list  
14 of specific projects included in the infra-  
15 structure improvement and maintenance  
16 plan prepared by the Government of the  
17 Republic of the Marshall Islands as part  
18 of the strategic framework described in  
19 subsection (f) of this section.

20 (2) INFRASTRUCTURE MAINTENANCE  
21 FUND.—Five percent of the annual public  
22 infrastructure grant made available  
23 under paragraph (1) of this subsection  
24 shall be set aside, with an equal contribu-  
25 tion from the Government of the Repub-

1        **lic of the Marshall Islands, as a contribu-**  
2        **tion to an Infrastructure Maintenance**  
3        **Fund. Administration of the Infrastruc-**  
4        **ture Maintenance Fund shall be governed**  
5        **by the Fiscal Procedures Agreement.**

6        **(e) DISASTER ASSISTANCE EMERGENCY**  
7        **FUND.—Of the total grant assistance made**  
8        **available under subsection (a) of this section,**  
9        **an amount of two hundred thousand dollars**  
10       **(\$200,000) shall be provided annually, with an**  
11       **equal contribution from the Government of**  
12       **the Republic of the Marshall Islands, as a con-**  
13       **tribution to a Disaster Assistance Emergency**  
14       **Fund (“DAEF”). Any funds from the DAEF**  
15       **may be used only for assistance and rehabili-**  
16       **tation resulting from disasters and emer-**  
17       **gencies. The funds will be accessed upon dec-**  
18       **laration of a State of Emergency by the Gov-**  
19       **ernment of the Republic of the Marshall Is-**  
20       **lands, with the concurrence of the United**  
21       **States Chief of Mission to the Republic of the**  
22       **Marshall Islands. Administration of the DAEF**  
23       **shall be governed by the Fiscal Procedures**  
24       **Agreement.**

1       **(f) BUDGET AND INVESTMENT FRAMEWORK.—**  
2       **The Government of the Republic of the Mar-**  
3       **shall Islands shall prepare and maintain an**  
4       **official medium-term budget and investment**  
5       **framework. The framework shall be strategic**  
6       **in nature, shall be continuously reviewed and**  
7       **updated through the annual budget process,**  
8       **and shall make projections on a multi-year**  
9       **rolling basis. Each of the sectors and areas**  
10      **named in subsections (a), (b), and (d) of this**  
11      **section, or other sectors and areas as mutu-**  
12      **ally agreed, shall be accorded specific treat-**  
13      **ment in the framework. Those portions of the**  
14      **framework that contemplate the use of United**  
15      **States grant funds shall require the concur-**  
16      **rence of both the Government of the United**  
17      **States and the Government of the Republic of**  
18      **the Marshall Islands.**

19      **Section 212 - Kwajalein Impact and Use**

20      **The Government of the United States**  
21      **shall provide to the Government of the Re-**  
22      **public of the Marshall Islands in conjunction**  
23      **with section 321(a) of the Compact, as amend-**  
24      **ed, and the agreement between the Govern-**  
25      **ment of the United States and the Govern-**

1 ment of the Republic of the Marshall Islands  
2 regarding military use and operating rights,  
3 a payment in fiscal year 2004 of \$15,000,000,  
4 with no adjustment for inflation. In fiscal year  
5 2005 and through fiscal year 2013, the annual  
6 payment will be the fiscal year 2004 amount  
7 (\$15,000,000) with an inflation adjustment as  
8 provided under section 218. In fiscal year  
9 2014, the annual payment will be \$18,000,000  
10 (with no adjustment for inflation) or the fiscal  
11 year 2013 amount with an inflation adjust-  
12 ment under section 218, whichever is greater.  
13 For fiscal year 2015 through fiscal year 2023  
14 (and thereafter in accordance with the Agree-  
15 ment between the Government of the United  
16 States and the Government of the Republic of  
17 the Marshall Islands Regarding Military Use  
18 and Operating Rights) the annual payment  
19 will be the fiscal year 2014 amount, with an  
20 inflation adjustment as provided under sec-  
21 tion 218.

22 **Section 213 - Accountability**

23 (a) Regulations and policies normally ap-  
24 plicable to United States financial assistance  
25 to its state and local governments, as set forth

1 in the Fiscal Procedures Agreement, shall  
2 apply to each grant described in section 211,  
3 and to grants administered under section 221  
4 below, except as modified in the separate  
5 agreements referred to in section 231 of this  
6 Compact, as amended, or by U.S. law. As set  
7 forth in the Fiscal Procedures Agreement,  
8 reasonable terms and conditions, including  
9 annual performance indicators that are nec-  
10 essary to ensure effective use of United States  
11 assistance and reasonable progress toward  
12 achieving program objectives may be at-  
13 tached. In addition, the United States may  
14 seek appropriate remedies for noncompliance  
15 with the terms and conditions attached to the  
16 assistance, or for failure to comply with sec-  
17 tion 234, including withholding assistance.

18 (b) The Government of the United States  
19 shall, for each fiscal year of the twenty years  
20 during which assistance is to be provided on  
21 a sector grant basis under section 211 (a),  
22 grant the Government of the Republic of the  
23 Marshall Islands an amount equal to the less-  
24 er of (i) one half of the reasonable, properly  
25 documented cost incurred during such fiscal

1 year to conduct the annual audit required  
2 under Article VIII (2) of the Fiscal Procedures  
3 Agreement or (ii) \$500,000. Such amount will  
4 not be adjusted for inflation under section 218  
5 or otherwise.

6 **Section 214 - Joint Economic Management**  
7 **and Financial Accountability Committee**

8       **The Governments of the United States**  
9 **and the Republic of the Marshall Islands shall**  
10 **establish a Joint Economic Management and**  
11 **Financial Accountability Committee, com-**  
12 **posed of a U.S. chair, two other members from**  
13 **the Government of the United States and two**  
14 **members from the Government of the Repub-**  
15 **lic of the Marshall Islands. The Joint Eco-**  
16 **nomic Management and Financial Account-**  
17 **ability Committee shall meet at least once**  
18 **each year to review the audits and reports re-**  
19 **quired under this Title and the Fiscal Proce-**  
20 **dures Agreement, evaluate the progress made**  
21 **by the Republic of the Marshall Islands in**  
22 **meeting the objectives identified in its frame-**  
23 **work described in subsection (f) of section**  
24 **211, with particular focus on those parts of**  
25 **the framework dealing with the sectors and**



1 areas identified in subsection (a) of section  
2 211, identify problems encountered, and rec-  
3 ommend ways to increase the effectiveness of  
4 U.S. assistance made available under this  
5 Title. The establishment and operations of the  
6 Joint Economic Management and Financial  
7 Accountability Committee shall be governed  
8 by the Fiscal Procedures Agreement.

9 **Section 215 - Annual Report**

10       The Government of the Republic of the  
11 Marshall Islands shall report annually to the  
12 President of the United States on the use of  
13 United States sector grant assistance and  
14 other assistance and progress in meeting mu-  
15 tually agreed program and economic goals.  
16 The Joint Economic Management and Finan-  
17 cial Accountability Committee shall review  
18 and comment on the report and make appro-  
19 priate recommendations based thereon.

20 **Section 216 - Trust Fund**

21       (a) The United States shall contribute an-  
22 nually for twenty years from the effective  
23 date of the Compact, as amended, in the  
24 amounts set forth in section 217 into a trust  
25 fund established in accordance with the

1 **Agreement Between the Government of the**  
2 **United States of America and the Government**  
3 **of the Republic of the Marshall Islands Imple-**  
4 **menting Section 216 and Section 217 of the**  
5 **Compact, as Amended, Regarding a Trust**  
6 **Fund (“Trust Fund Agreement”), which shall**  
7 **come into effect simultaneously with this**  
8 **Compact, as amended. Upon termination of**  
9 **the annual grant assistance under section 211**  
10 **(a), (d) and (e), the earnings of the fund shall**  
11 **thereafter be used for the purposes described**  
12 **in section 211 or as otherwise mutually**  
13 **agreed.**

14       **(b) The United States contribution into**  
15 **the Trust Fund described in subsection (a) of**  
16 **this section is conditioned on the Government**  
17 **of the Republic of the Marshall Islands con-**  
18 **tributing to the Trust Fund at least**  
19 **\$25,000,000, on the effective date of the Trust**  
20 **Fund Agreement or on October 1, 2003, which-**  
21 **ever is later, \$2,500,000 prior to October 1,**  
22 **2004, and \$2,500,000 prior to October 1, 2005.**  
23 **Any funds received by the Republic of the**  
24 **Marshall Islands under section 111(d) of Pub-**  
25 **lic Law 99-239 (January 14, 1986), or suc-**

1 cessor provisions, would be contributed to the  
2 Trust Fund as a Republic of the Marshall Is-  
3 lands' contribution.

4 (c) The terms regarding the investment  
5 and management of funds and use of the in-  
6 come of the Trust Fund shall be governed by  
7 the Trust Fund Agreement. Funds derived  
8 from United States investment shall not be  
9 subject to Federal or state taxes in the United  
10 States or any taxes in the Republic of the Mar-  
11 shall Islands. The Trust Fund Agreement shall  
12 also provide for annual reports to the Govern-  
13 ment of the United States and to the Govern-  
14 ment of the Republic of the Marshall Islands.  
15 The Trust Fund Agreement shall provide for  
16 appropriate distributions of trust fund pro-  
17 ceeds to the Republic of the Marshall Islands  
18 and for appropriate remedies for the failure  
19 of the Republic of the Marshall Islands to use  
20 income of the Trust Fund for the annual grant  
21 purposes set forth in section 211. These rem-  
22 edies may include the return to the United  
23 States of the present market value of its con-  
24 tributions to the Trust Fund and the present  
25 market value of any undistributed income on

1 the contributions of the United States. If this  
 2 Compact, as amended, is terminated, the pro-  
 3 visions of sections 451–453 of the Compact, as  
 4 amended, and the Trust Fund Agreement  
 5 shall govern treatment of any U.S. contribu-  
 6 tions to the Trust Fund or accrued income  
 7 thereon.

## 8 Section 217 - Annual Grant Funding and Trust 9 Fund Contributions

10 The funds described in sections 211, 212,  
 11 213(b), and 216 shall be made available as fol-  
 12 lows:

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 213(b)	Trust Fund Section 216 (a&c)	Kwajalein Im- pact Section 212	Total
2004 ..	35.2	.5	7	15.0	57.7
2005 ..	34.7	.5	7.5	15.0	57.7
2006 ..	34.2	.5	8	15.0	57.7
2007 ..	33.7	.5	8.5	15.0	57.7
2008 ..	33.2	.5	9	15.0	57.7
2009 ..	32.7	.5	9.5	15.0	57.7
2010 ..	32.2	.5	10	15.0	57.7
2011 ..	31.7	.5	10.5	15.0	57.7
2012 ..	31.2	.5	11	15.0	57.7
2013 ..	30.7	.5	11.5	15.0	57.7
2014 ..	32.2	.5	12	18.0	62.7
2015 ..	31.7	.5	12.5	18.0	62.7
2016 ..	31.2	.5	13	18.0	62.7
2017 ..	30.7	.5	13.5	18.0	62.7
2018 ..	30.2	.5	14	18.0	62.7
2019 ..	29.7	.5	14.5	18.0	62.7
2020 ..	29.2	.5	15	18.0	62.7
2021 ..	28.7	.5	15.5	18.0	62.7
2022 ..	28.2	.5	16	18.0	62.7
2023 ..	27.7	.5	16.5	18.0	62.7

## 13 Section 218 - Inflation Adjustment

14 Except as otherwise provided, the  
 15 amounts stated in this Title shall be adjusted  
 16 for each United States Fiscal Year by the per-

1 cent that equals two-thirds of the percent  
2 change in the United States Gross Domestic  
3 Product Implicit Price Deflator, or 5 percent,  
4 whichever is less in any one year, using the  
5 beginning of Fiscal Year 2004 as a base.

6 **Section 219 - Carry-Over of Unused Funds**

7       If in any year the funds made available by  
8 the Government of the United States for that  
9 year pursuant to this Article are not com-  
10 pletely obligated by the Government of the  
11 Republic of the Marshall Islands, the unobli-  
12 gated balances shall remain available in addi-  
13 tion to the funds to be provided in subsequent  
14 years.

15 **Article II**

16 **Services and Program Assistance**

17 **Section 221**

18       (a) **SERVICES.**—The Government of the  
19 United States shall make available to the Re-  
20 public of the Marshall Islands, in accordance  
21 with and to the extent provided in the Federal  
22 Programs and Services Agreement referred to  
23 in Section 231, the services and related pro-  
24 grams of:

25           (1) the United States Weather Service;

1           **(2) the United States Postal Service;**

2           **(3) the United States Federal Aviation**  
3           **Administration;**

4           **(4) the United States Department of**  
5           **Transportation; and**

6           **(5) the Department of Homeland Se-**  
7           **curity, and the United States Agency for**  
8           **International Development, Office of For-**  
9           **oreign Disaster Assistance.**

10 **Upon the effective date of this Compact, as**  
11 **amended, the United States Departments and**  
12 **Agencies named or having responsibility to**  
13 **provide these services and related programs**  
14 **shall have the authority to implement the rel-**  
15 **evant provisions of the Federal Programs and**  
16 **Services Agreement referred to in section 231.**

17       **(b) PROGRAMS.—**

18           **(1) Other than the services and pro-**  
19           **grams covered by subsection (a) of this**  
20           **section, and to the extent authorized by**  
21           **the Congress of the United States, the**  
22           **Government of the United States shall**  
23           **make available to the Republic of the**  
24           **Marshall Islands the services and pro-**  
25           **grams that were available to the Repub-**

1        **lic of the Marshall Islands on the effec-**  
2        **tive date of this Compact, as amended, to**  
3        **the extent that such services and pro-**  
4        **grams continue to be available to State**  
5        **and local governments of the United**  
6        **States. As set forth in the Fiscal Proce-**  
7        **dures Agreement, funds provided under**  
8        **subsection (a) of section 211 shall be con-**  
9        **sidered to be local revenues of the Gov-**  
10       **ernment of the Republic of the Marshall**  
11       **Islands when used as the local share re-**  
12       **quired to obtain Federal programs and**  
13       **services.**

14            **(2) Unless provided otherwise by U.S.**  
15        **law, the services and programs described**  
16        **in paragraph (1) of this subsection shall**  
17        **be extended in accordance with the**  
18        **terms of the Federal Programs and Serv-**  
19        **ices Agreement.**

20            **(c) The Government of the United States**  
21        **shall have and exercise such authority as is**  
22        **necessary to carry out its responsibilities**  
23        **under this Title and the Federal Programs**  
24        **and Services Agreement, including the au-**  
25        **thority to monitor and administer all service**

1 and program assistance provided by the  
2 United States to the Republic of the Marshall  
3 Islands. The Federal Programs and Services  
4 Agreement shall also set forth the extent to  
5 which services and programs shall be pro-  
6 vided to the Republic of the Marshall Islands.

7 (d) Except as provided elsewhere in this  
8 Compact, as amended, under any separate  
9 agreement entered into under this Compact,  
10 as amended, or otherwise under U.S. law, all  
11 Federal domestic programs extended to or op-  
12 erating in the Republic of the Marshall Is-  
13 lands shall be subject to all applicable cri-  
14 teria, standards, reporting requirements, au-  
15 diting procedures, and other rules and regula-  
16 tions applicable to such programs and serv-  
17 ices when operating in the United States.

18 (e) The Government of the United States  
19 shall make available to the Republic of the  
20 Marshall Islands alternate energy develop-  
21 ment projects, studies, and conservation  
22 measures to the extent provided for the Free-  
23 ly Associated States in the laws of the United  
24 States.

25 Section 222



1       **The Government of the United States and**  
2 **the Government of the Republic of the Mar-**  
3 **shall Islands may agree from time to time to**  
4 **extend to the Republic of the Marshall Islands**  
5 **additional United States grant assistance,**  
6 **services and programs, as provided under the**  
7 **laws of the United States. Unless inconsistent**  
8 **with such laws, or otherwise specifically pre-**  
9 **cluded by the Government of the United**  
10 **States at the time such additional grant as-**  
11 **sistance, services, or programs are extended,**  
12 **the Federal Programs and Services Agree-**  
13 **ment shall apply to any such assistance, serv-**  
14 **ices or programs.**

15 **Section 223**

16       **The Government of the Republic of the**  
17 **Marshall Islands shall make available to the**  
18 **Government of the United States at no cost**  
19 **such land as may be necessary for the oper-**  
20 **ations of the services and programs provided**  
21 **pursuant to this Article, and such facilities as**  
22 **are provided by the Government of the Re-**  
23 **public of the Marshall Islands at no cost to the**  
24 **Government of the United States as of the ef-**

1 fective date of this Compact, as amended, or  
2 as may be mutually agreed thereafter.

3 **Section 224**

4       **The Government of the Republic of the**  
5 **Marshall Islands may request, from the time**  
6 **to time, technical assistance from the Federal**  
7 **agencies and institutions of the Government**  
8 **of the United States, which are authorized to**  
9 **grant such technical assistance in accordance**  
10 **with its laws. If technical assistance is grant-**  
11 **ed pursuant to such a request, the Govern-**  
12 **ment of the United States shall provide the**  
13 **technical assistance in a manner which gives**  
14 **priority consideration to the Republic of the**  
15 **Marshall Islands over other recipients not a**  
16 **part of the United States, its territories or**  
17 **possessions, and equivalent consideration to**  
18 **the Republic of the Marshall Islands with re-**  
19 **spect to other states in Free Association with**  
20 **the United States. Such assistance shall be**  
21 **made available on a reimbursable or non-re-**  
22 **imbursable basis to the extent provided by**  
23 **United States law.**

1 **Article III**

2 **Administrative Provisions**

3 **Section 231**

4       **The specific nature, extent and contrac-**  
5 **tual arrangements of the services and pro-**  
6 **grams provided for in section 221 of this Com-**  
7 **pact, as amended, as well as the legal status**  
8 **of agencies of the Government of the United**  
9 **States, their civilian employees and contrac-**  
10 **tors, and the dependents of such personnel**  
11 **while present in the Republic of the Marshall**  
12 **Islands, and other arrangements in connec-**  
13 **tion with the assistance, services, or pro-**  
14 **grams furnished by the Government of the**  
15 **United States, are set forth in a Federal Pro-**  
16 **grams and Services Agreement which shall**  
17 **come into effect simultaneously with this**  
18 **Compact, as amended.**

19 **Section 232**

20       **The Government of the United States, in**  
21 **consultation with the Government of the Re-**  
22 **public of the Marshall Islands, shall deter-**  
23 **mine and implement procedures for the peri-**  
24 **odic audit of all grants and other assistance**  
25 **made under Article I of this Title and of all**

1 funds expended for the services and programs  
2 provided under Article II of this Title. Fur-  
3 ther, in accordance with the Fiscal Proce-  
4 dures Agreement described in subsection (a)  
5 of section 211, the Comptroller General of the  
6 United States shall have such powers and au-  
7 thorities as described in sections 103(m) and  
8 110(c) of Public Law 99-239, 99 Stat. 1777-78,  
9 and 99 Stat. 1799 (January 14, 1986).

10 **Section 233**

11       Approval of this Compact, as amended, by  
12 the Government of the United States, in ac-  
13 cordance with its constitutional processes,  
14 shall constitute a pledge by the United States  
15 that the sums and amounts specified as grants  
16 in section 211 of this Compact, as amended,  
17 shall be appropriated and paid to the Repub-  
18 lic of the Marshall Islands for such period as  
19 those provisions of this Compact, as amended,  
20 remain in force, provided that the Republic of  
21 the Marshall Islands complies with the terms  
22 and conditions of this Title and related sub-  
23 sidiary agreements.

24 **Section 234**

1       **The Government of the Republic of the**  
2 **Marshall Islands pledges to cooperate with,**  
3 **permit, and assist if reasonably requested,**  
4 **designated and authorized representatives of**  
5 **the Government of the United States charged**  
6 **with investigating whether Compact funds, or**  
7 **any other assistance authorized under this**  
8 **Compact, as amended, have, or are being,**  
9 **used for purposes other than those set forth**  
10 **in this Compact, as amended, or its subsidiary**  
11 **agreements. In carrying out this investigative**  
12 **authority, such United States Government**  
13 **representatives may request that the Govern-**  
14 **ment of the Republic of the Marshall Islands**  
15 **subpoena documents and records and compel**  
16 **testimony in accordance with the laws and**  
17 **Constitution of the Republic of the Marshall**  
18 **Islands. Such assistance by the Government**  
19 **of the Republic of the Marshall Islands to the**  
20 **Government of the United States shall not be**  
21 **unreasonably withheld. The obligation of the**  
22 **Government of the Marshall Islands to fulfill**  
23 **its pledge herein is a condition to its receiv-**  
24 **ing payment of such funds or other assistance**  
25 **authorized under this Compact, as amended.**

1 **The Government of the United States shall**  
2 **pay any reasonable costs for extraordinary**  
3 **services executed by the Government of the**  
4 **Marshall Islands in carrying out the provi-**  
5 **sions of this section.**

6 **Article IV**

7 **Trade**

8 **Section 241**

9 **The Republic of the Marshall Islands is**  
10 **not included in the customs territory of the**  
11 **United States.**

12 **Section 242**

13 **The President shall proclaim the fol-**  
14 **lowing tariff treatment for articles imported**  
15 **from the Republic of the Marshall Islands**  
16 **which shall apply during the period of effec-**  
17 **tiveness of this title:**

18 **(a) Unless otherwise excluded, arti-**  
19 **cles imported from the Republic of the**  
20 **Marshall Islands, subject to the limita-**  
21 **tions imposed under section 503(b) of**  
22 **title V of the Trade Act of 1974 (19 U.S.C.**  
23 **2463(b)), shall be exempt from duty.**

24 **(b) Only tuna in airtight containers**  
25 **provided for in heading 1604.14.22 of the**

1       **Harmonized Tariff Schedule of the**  
2       **United States that is imported from the**  
3       **Republic of the Marshall Islands and the**  
4       **Federated States of Micronesia during**  
5       **any calendar year not to exceed 10 per-**  
6       **cent of apparent United States consump-**  
7       **tion of tuna in airtight containers during**  
8       **the immediately preceding calendar year,**  
9       **as reported by the National Marine Fish-**  
10      **eries Service, shall be exempt from duty;**  
11      **but the quantity of tuna given duty-free**  
12      **treatment under this paragraph for any**  
13      **calendar year shall be counted against**  
14      **the aggregated quantity of tuna in air-**  
15      **tight containers that is dutiable under**  
16      **rate column numbered 1 of such heading**  
17      **1604.14.22 for that calendar year.**

18           **(c) The duty-free treatment provided**  
19      **under subsection (a) shall not apply to:**

20                   **(1) watches, clocks, and timing**  
21                   **apparatus provided for in Chapter 91,**  
22                   **excluding heading 9113, of the Har-**  
23                   **monized Tariff Schedule of the**  
24                   **United States;**

1           (2) buttons (whether finished or  
2           not finished) provided for in items  
3           9606.21.40 and 9606.29.20 of such  
4           Schedule;

5           (3) textile and apparel articles  
6           which are subject to textile agree-  
7           ments; and

8           (4) footwear, handbags, luggage,  
9           flat goods, work gloves, and leather  
10          wearing apparel which were not eligi-  
11          ble articles for purposes of title V of  
12          the Trade Act of 1974 (19 U.S.C. 2461,  
13          et seq.) on April 1, 1984.

14          (d) If the cost or value of materials  
15          produced in the customs territory of the  
16          United States is included with respect to  
17          an eligible article which is a product of  
18          the Republic of the Marshall Islands, an  
19          amount not to exceed 15 percent of the  
20          appraised value of the article at the time  
21          it is entered that is attributable to such  
22          United States cost or value may be ap-  
23          plied for duty assessment purposes to-  
24          ward determining the percentage re-



1       ferred to in section 503(a)(2) of title V of  
2       the Trade Act of 1974.

3   **Section 243**

4       Articles imported from the Republic of  
5   the Marshall Islands which are not exempt  
6   from duty under subsections (a), (b), (c), and  
7   (d) of section 242 shall be subject to the rates  
8   of duty set forth in column numbered 1-gen-  
9   eral of the Harmonized Tariff Schedule of the  
10   United States (HTSUS).

11   **Section 244**

12       (a) All products of the United States im-  
13   ported into the Republic of the Marshall Is-  
14   lands shall receive treatment no less favor-  
15   able than that accorded like products of any  
16   foreign country with respect to customs du-  
17   ties or charges of a similar nature and with  
18   respect to laws and regulations relating to im-  
19   portation, exportation, taxation, sale, dis-  
20   tribution, storage or use.

21       (b) The provisions of subsection (a) shall  
22   not apply to advantages accorded by the Re-  
23   public of the Marshall Islands by virtue of  
24   their full membership in the Pacific Island  
25   Countries Trade Agreement (PICTA), done on

1 **August, 18, 2001, to those governments listed**  
2 **in Article 26 of PICTA, as of the date the Com-**  
3 **pact, as amended, is signed.**

4 **(c) Prior to entering into consultations on,**  
5 **or concluding, a free trade agreement with**  
6 **governments not listed in Article 26 of PICTA,**  
7 **the Republic of the Marshall Islands shall**  
8 **consult with the United States regarding**  
9 **whether or how subsection (a) of section 244**  
10 **shall be applied.**

## 11 **Article V**

### 12 **Finance and Taxation**

#### 13 **Section 251**

14 **The currency of the United States is the**  
15 **official circulating legal tender of the Repub-**  
16 **lic of the Marshall Islands. Should the Gov-**  
17 **ernment of the Republic of the Marshall Is-**  
18 **lands act to institute another currency, the**  
19 **terms of an appropriate currency transitional**  
20 **period shall be as agreed with the Govern-**  
21 **ment of the United States.**

#### 22 **Section 252**

23 **The Government of the Republic of the**  
24 **Marshall Islands may, with respect to United**  
25 **States persons, tax income derived from**

1 sources within its respective jurisdiction,  
2 property situated therein, including transfers  
3 of such property by gift or at death, and prod-  
4 ucts consumed therein, in such manner as the  
5 Government of the Republic of the Marshall  
6 Islands deems appropriate. The determina-  
7 tion of the source of any income, or the situs  
8 of any property, shall for purposes of this  
9 Compact, as amended, be made according to  
10 the United States Internal Revenue Code.

11 **Section 253**

12       A citizen of the Republic of the Marshall  
13 Islands, domiciled therein, shall be exempt  
14 from estate, gift, and generation-skipping  
15 transfer taxes imposed by the Government of  
16 the United States, provided that such citizen  
17 of the Republic of the Marshall Islands is nei-  
18 ther a citizen nor a resident of the United  
19 States.

20 **Section 254**

21       (a) In determining any income tax im-  
22 posed by the Government of the Republic of  
23 the Marshall Islands, the Government of the  
24 Republic of the Marshall Islands shall have  
25 authority to impose tax upon income derived

1 by a resident of the Republic of the Marshall  
2 Islands from sources without the Republic of  
3 the Marshall Islands, in the same manner and  
4 to the same extent as the Government of the  
5 Republic of the Marshall Islands imposes tax  
6 upon income derived from within its own ju-  
7 risdiction. If the Government of the Republic  
8 of the Marshall Islands exercises such author-  
9 ity as provided in this subsection, any indi-  
10 vidual resident of the Republic of the Mar-  
11 shall Islands who is subject to tax by the Gov-  
12 ernment of the United States on income  
13 which is also taxed by the Government of the  
14 Republic of the Marshall Islands shall be re-  
15 lieved of liability to the Government of the  
16 United States for the tax which, but for this  
17 subsection, would otherwise be imposed by  
18 the Government of the United States on such  
19 income. However, the relief from liability to  
20 the United States Government referred to in  
21 the preceding sentence means only relief in  
22 the form of the foreign tax credit (or deduc-  
23 tion in lieu thereof) available with respect to  
24 the income taxes of a possession of the United  
25 States, and relief in the form of the exclusion

1 under section 911 of the Internal Revenue  
2 Code of 1986. For purposes of this section, the  
3 term “resident of the Republic of the Marshall  
4 Islands” shall be deemed to include any per-  
5 son who was physically present in the Repub-  
6 lic of the Marshall Islands for a period of 183  
7 or more days during any taxable year.

8 (b) If the Government of the Republic of  
9 the Marshall Islands subjects income to tax-  
10 ation substantially similar to that which was  
11 imposed by the Trust Territory Code in effect  
12 on January 1, 1980, such Government shall be  
13 deemed to have exercised the authority de-  
14 scribed in section 254(a).

15 **Section 255**

16 For purposes of section 274(h)(3)(A) of the  
17 U.S. Internal Revenue Code of 1986, the term  
18 “North American Area” shall include the Re-  
19 public of the Marshall Islands.

20 **TITLE THREE**

21 **SECURITY AND DEFENSE RELATIONS**

22 **Article I**

23 **Authority and Responsibility**

24 **Section 311**

1       **(a) The Government of the United States**  
2 **has full authority and responsibility for secu-**  
3 **rity and defense matters in or relating to the**  
4 **Republic of the Marshall Islands.**

5       **(b) This authority and responsibility in-**  
6 **cludes:**

7           **(1) the obligation to defend the Re-**  
8 **public of the Marshall Islands and its**  
9 **people from attack or threats thereof as**  
10 **the United States and its citizens are de-**  
11 **fended;**

12           **(2) the option to foreclose access to or**  
13 **use of the Republic of the Marshall Is-**  
14 **lands by military personnel or for the**  
15 **military purposes of any third country;**  
16 **and**

17           **(3) the option to establish and use**  
18 **military areas and facilities in the Repub-**  
19 **lic of the Marshall Islands, subject to the**  
20 **terms of the separate agreements re-**  
21 **ferred to in sections 321 and 323.**

22       **(c) The Government of the United States**  
23 **confirms that it shall act in accordance with**  
24 **the principles of international law and the**

1 **Charter of the United Nations in the exercise**  
2 **of this authority and responsibility.**

3 **Section 312**

4 **Subject to the terms of any agreements**  
5 **negotiated in accordance with sections 321**  
6 **and 323, the Government of the United States**  
7 **may conduct within the lands, waters and air-**  
8 **space of the Republic of the Marshall Islands**  
9 **the activities and operations necessary for**  
10 **the exercise of its authority and responsi-**  
11 **bility under this Title.**

12 **Section 313**

13 **(a) The Government of the Republic of the**  
14 **Marshall Islands shall refrain from actions**  
15 **that the Government of the United States de-**  
16 **termines, after appropriate consultation with**  
17 **that Government, to be incompatible with its**  
18 **authority and responsibility for security and**  
19 **defense matters in or relating to the Republic**  
20 **of the Marshall Islands.**

21 **(b) The consultations referred to in this**  
22 **section shall be conducted expeditiously at**  
23 **senior levels of the two Governments, and the**  
24 **subsequent determination by the Government**  
25 **of the United States referred to in this section**

1 shall be made only at senior interagency lev-  
2 els of the Government of the United States.

3 (c) The Government of the Republic of the  
4 Marshall Islands shall be afforded, on an ex-  
5 peditious basis, an opportunity to raise its  
6 concerns with the United States Secretary of  
7 State personally and the United States Sec-  
8 retary of Defense personally regarding any  
9 determination made in accordance with this  
10 section.

11 **Section 314**

12 (a) Unless otherwise agreed, the Govern-  
13 ment of the United States shall not, in the Re-  
14 public of the Marshall Islands:

15 (1) test by detonation or dispose of  
16 any nuclear weapon, nor test, dispose of,  
17 or discharge any toxic chemical or bio-  
18 logical weapon; or

19 (2) test, dispose of, or discharge any  
20 other radioactive, toxic chemical or bio-  
21 logical materials in an amount or manner  
22 that would be hazardous to public health  
23 or safety.

24 (b) Unless otherwise agreed, other than  
25 for transit or overflight purposes or during



1 time of a national emergency declared by the  
2 President of the United States, a state of war  
3 declared by the Congress of the United States  
4 or as necessary to defend against an actual or  
5 impending armed attack on the United States,  
6 the Republic of the Marshall Islands or the  
7 Federated States of Micronesia, the Govern-  
8 ment of the United States shall not store in  
9 the Republic of the Marshall Islands or the  
10 Federated States of Micronesia any toxic  
11 chemical weapon, nor any radioactive mate-  
12 rials nor any toxic chemical materials in-  
13 tended for weapons use.

14 (c) Radioactive, toxic chemical, or biologi-  
15 cal materials not intended for weapons use  
16 shall not be affected by section 314(b).

17 (d) No material or substance referred to in  
18 this section shall be stored in the Republic of  
19 the Marshall Islands except in an amount and  
20 manner which would not be hazardous to  
21 public health or safety. In determining what  
22 shall be an amount or manner which would  
23 be hazardous to public health or safety under  
24 this section, the Government of the United  
25 States shall comply with any applicable mu-

1 tual agreement, international guidelines ac-  
2 cepted by the Government of the United  
3 States, and the laws of the United States and  
4 their implementing regulations.

5 (e) Any exercise of the exemption author-  
6 ity set forth in section 161(e) shall have no ef-  
7 fect on the obligations of the Government of  
8 the United States under this section or on the  
9 application of this subsection.

10 (f) The provisions of this section shall  
11 apply in the areas in which the Government  
12 of the Republic of the Marshall Islands exer-  
13 cises jurisdiction over the living resources of  
14 the seabed, subsoil or water column adjacent  
15 to its coasts.

#### 16 Section 315

17 The Government of the United States may  
18 invite members of the armed forces of other  
19 countries to use military areas and facilities  
20 in the Republic of the Marshall Islands, in  
21 conjunction with and under the control of  
22 United States Armed Forces. Use by units of  
23 the armed forces of other countries of such  
24 military areas and facilities, other than for  
25 transit and overflight purposes, shall be sub-

1 ject to consultation with and, in the case of  
2 major units, approval of the Government of  
3 the Republic of the Marshall Islands.

4 **Section 316**

5       The authority and responsibility of the  
6 Government of the United States under this  
7 Title may not be transferred or otherwise as-  
8 signed.

9 **Article II**

10 **Defense Facilities and Operating Rights**

11 **Section 321**

12       (a) Specific arrangements for the estab-  
13 lishment and use by the Government of the  
14 United States of military areas and facilities  
15 in the Republic of the Marshall Islands are set  
16 forth in separate agreements, which shall re-  
17 main in effect in accordance with the terms  
18 of such agreements.

19       (b) If, in the exercise of its authority and  
20 responsibility under this Title, the Govern-  
21 ment of the United States requires the use of  
22 areas within the Republic of the Marshall Is-  
23 lands in addition to those for which specific  
24 arrangements are concluded pursuant to sec-  
25 tion 321(a), it may request the Government of

1 the Republic of the Marshall Islands to satisfy  
2 those requirements through leases or other  
3 arrangements. The Government of the Repub-  
4 lic of the Marshall Islands shall sympa-  
5 thetically consider any such request and shall  
6 establish suitable procedures to discuss it  
7 with and provide a prompt response to the  
8 Government of the United States.

9 (c) The Government of the United States  
10 recognizes and respects the scarcity and spe-  
11 cial importance of land in the Republic of the  
12 Marshall Islands. In making any requests pur-  
13 suant to section 321(b), the Government of the  
14 United States shall follow the policy of re-  
15 questing the minimum area necessary to ac-  
16 complish the required security and defense  
17 purpose, of requesting only the minimum in-  
18 terest in real property necessary to support  
19 such purpose, and of requesting first to sat-  
20 isfy its requirement through public real prop-  
21 erty, where available, rather than through  
22 private real property.

23 **Section 322**

24 The Government of the United States  
25 shall provide and maintain fixed and floating

1 aids to navigation in the Republic of the Mar-  
2 shall Islands at least to the extent necessary  
3 for the exercise of its authority and responsi-  
4 bility under this Title.

5 **Section 323**

6       **The military operating rights of the Gov-**  
7 **ernment of the United States and the legal**  
8 **status and contractual arrangements of the**  
9 **United States Armed Forces, their members,**  
10 **and associated civilians, while present in the**  
11 **Republic of the Marshall Islands are set forth**  
12 **in separate agreements, which shall remain in**  
13 **effect in accordance with the terms of such**  
14 **agreements.**

15                               **Article III**

16 **Defense Treaties and International Security**  
17 **Agreements**

18 **Section 331**

19       **Subject to the terms of this Compact, as**  
20 **amended, and its related agreements, the**  
21 **Government of the United States, exclusively,**  
22 **has assumed and enjoys, as to the Republic of**  
23 **the Marshall Islands, all obligations, respon-**  
24 **sibilities, rights and benefits of:**

1           **(a) Any defense treaty or other inter-**  
2           **national security agreement applied by**  
3           **the Government of the United States as**  
4           **Administering Authority of the Trust Ter-**  
5           **ritory of the Pacific Islands as of October**  
6           **20, 1986.**

7           **(b) Any defense treaty or other inter-**  
8           **national security agreement to which the**  
9           **Government of the United States is or**  
10          **may become a party which it determines**  
11          **to be applicable in the Republic of the**  
12          **Marshall Islands. Such a determination**  
13          **by the Government of the United States**  
14          **shall be preceded by appropriate con-**  
15          **sultation with the Government of the Re-**  
16          **public of the Marshall Islands.**

17                                   **Article IV**

18   **Service in Armed Forces of the United States**

19   **Section 341**

20          **Any person entitled to the privileges set**  
21   **forth in Section 141 (with the exception of any**  
22   **person described in section 141(a)(5) who is**  
23   **not a citizen of the Republic of the Marshall**  
24   **Islands) shall be eligible to volunteer for serv-**  
25   **ice in the Armed Forces of the United States,**

1 but shall not be subject to involuntary induc-  
2 tion into military service of the United States  
3 as long as such person has resided in the  
4 United States for a period of less than one  
5 year, provided that no time shall count to-  
6 wards this one year while a person admitted  
7 to the United States under the Compact, or  
8 the Compact, as amended, is engaged in full-  
9 time study in the United States. Any person  
10 described in section 141(a)(5) who is not a cit-  
11 izen of the Republic of the Marshall Islands  
12 shall be subject to United States laws relating  
13 to selective service.

14 **Section 342**

15 The Government of the United States  
16 shall have enrolled, at any one time, at least  
17 one qualified student from the Republic of the  
18 Marshall Islands, as may be nominated by the  
19 Government of the Republic of the Marshall  
20 Islands, in each of:

21 (a) The United States Coast Guard  
22 Academy pursuant to 14 U.S.C. 195.

23 (b) The United States Merchant Ma-  
24 rine Academy pursuant to 46 U.S.C.  
25 1295(b)(6), provided that the provisions of

1       **46 U.S.C. 1295b(b)(6)(C) shall not apply to**  
2       **the enrollment of students pursuant to**  
3       **section 342(b) of this Compact, as amend-**  
4       **ed.**

## 5                               **Article V**

### 6                               **General Provisions**

#### 7       **Section 351**

8       **(a) The Government of the United States**  
9       **and the Government of the Republic of the**  
10       **Marshall Islands shall continue to maintain a**  
11       **Joint Committee empowered to consider dis-**  
12       **putes arising under the implementation of**  
13       **this Title and its related agreements.**

14       **(b) The membership of the Joint Com-**  
15       **mittee shall comprise selected senior officials**  
16       **of the two Governments. The senior United**  
17       **States military commander in the Pacific area**  
18       **shall be the senior United States member of**  
19       **the Joint Committee. For the meetings of the**  
20       **Joint Committee, each of the two Govern-**  
21       **ments may designate additional or alternate**  
22       **representatives as appropriate for the subject**  
23       **matter under consideration.**

24       **(c) Unless otherwise mutually agreed, the**  
25       **Joint Committee shall meet annually at a time**



1 and place to be designated, after appropriate  
2 consultation, by the Government of the  
3 United States. The Joint Committee also shall  
4 meet promptly upon request of either of its  
5 members. The Joint Committee shall follow  
6 such procedures, including the establishment  
7 of functional subcommittees, as the members  
8 may from time to time agree. Upon notifica-  
9 tion by the Government of the United States,  
10 the Joint Committee of the United States and  
11 the Republic of the Marshall Islands shall  
12 meet promptly in a combined session with the  
13 Joint Committee established and maintained  
14 by the Government of the United States and  
15 the Government of the Federated States of Mi-  
16 cronesia to consider matters within the juris-  
17 diction of the two Joint Committees.

18 (d) Unresolved issues in the Joint Com-  
19 mittee shall be referred to the Governments  
20 for resolution, and the Government of the Re-  
21 public of the Marshall Islands shall be af-  
22 forded, on an expeditious basis, an oppor-  
23 tunity to raise its concerns with the United  
24 States Secretary of Defense personally re-  
25 garding any unresolved issue which threatens

1 its continued association with the Govern-  
2 ment of the United States.

3 **Section 352**

4       In the exercise of its authority and re-  
5 sponsibility under Title Three, the Govern-  
6 ment of the United States shall accord due re-  
7 spect to the authority and responsibility of  
8 the Government of the Republic of the Mar-  
9 shall Islands under Titles One, Two and Four  
10 and to the responsibility of the Government  
11 of the Republic of the Marshall Islands to as-  
12 sure the well-being of its people.

13 **Section 353**

14       (a) The Government of the United States  
15 shall not include the Government of the Re-  
16 public of the Marshall Islands as a named  
17 party to a formal declaration of war, without  
18 that Government's consent.

19       (b) Absent such consent, this Compact, as  
20 amended, is without prejudice, on the ground  
21 of belligerence or the existence of a state of  
22 war, to any claims for damages which are ad-  
23 vanced by the citizens, nationals or Govern-  
24 ment of the Republic of the Marshall Islands,

1 which arise out of armed conflict subsequent  
2 to October 21, 1986, and which are:

3 (5) petitions to the Government of the  
4 United States for redress; or

5 (6) claims in any manner against the  
6 government, citizens, nationals or enti-  
7 ties of any third country.

8 (c) Petitions under section 353(b)(1) shall  
9 be treated as if they were made by citizens of  
10 the United States.

11 **Section 354**

12 (a) The Government of the United States  
13 and the Government of the Republic of the  
14 Marshall Islands are jointly committed to con-  
15 tinue their security and defense relations, as  
16 set forth in this Title. Accordingly, it is the in-  
17 tention of the two countries that the provi-  
18 sions of this Title shall remain binding as long  
19 as this Compact, as amended, remains in ef-  
20 fect, and thereafter as mutually agreed, un-  
21 less earlier terminated by mutual agreement  
22 pursuant to section 441, or amended pursuant  
23 to Article III of Title Four. If at any time the  
24 Government of the United States, or the Gov-  
25 ernment of the Republic of the Marshall Is-

1 lands, acting unilaterally, terminates this  
2 Title, such unilateral termination shall be  
3 considered to be termination of the entire  
4 Compact, as amended, in which case the pro-  
5 visions of section 442 and 452 (in the case of  
6 termination by the Government of the United  
7 States) or sections 443 and 453 (in the case of  
8 termination by the Government of the Repub-  
9 lic of the Marshall Islands), with the excep-  
10 tion of paragraph (3) of subsection (a) of sec-  
11 tion 452 or paragraph (3) of subsection (a) of  
12 section 453, as the case may be, shall apply.

13 (b) The Government of the United States  
14 recognizes, in view of the special relationship  
15 between the Government of the United States  
16 and the Government of the Republic of the  
17 Marshall Islands, and in view of the existence  
18 of the separate agreement regarding mutual  
19 security concluded with the Government of  
20 the Republic of the Marshall Islands pursuant  
21 to sections 321 and 323, that, even if this Title  
22 should terminate, any attack on the Republic  
23 of the Marshall Islands during the period in  
24 which such separate agreement is in effect,  
25 would constitute a threat to the peace and se-

1   curity of the entire region and a danger to the  
2   United States. In the event of such an attack,  
3   the Government of the United States would  
4   take action to meet the danger to the United  
5   States and to the Republic of the Marshall Is-  
6   lands in accordance with its constitutional  
7   processes.

8       (c) As reflected in Article 21(1)(b) of the  
9   Trust Fund Agreement, the Government of  
10   the United States and the Government of the  
11   Republic of the Marshall Islands further rec-  
12   ognize, in view of the special relationship be-  
13   tween their countries, that even if this Title  
14   should terminate, the Government of Repub-  
15   lic of the Marshall Islands shall refrain from  
16   actions which the Government of the United  
17   States determines, after appropriate consulta-  
18   tion with that Government, to be incompat-  
19   ible with its authority and responsibility for  
20   security and defense matters in or relating to  
21   the Republic of the Marshall Islands or the  
22   Federated States of Micronesia.

1 **TITLE FOUR**

2 **GENERAL PROVISIONS**

3 **Article I**

4 **Approval and Effective Date**

5 **Section 411**

6 **Pursuant to section 432 of the Compact**  
7 **and subject to subsection (e) of section 461 of**  
8 **the Compact, as amended, the Compact, as**  
9 **amended, shall come into effect upon mutual**  
10 **agreement between the Government of the**  
11 **United States and the Government of the Re-**  
12 **public of the Marshall Islands subsequent to**  
13 **completion of the following:**

14 **(a) Approval by the Government of**  
15 **the Republic of the Marshall Islands in**  
16 **accordance with its constitutional proc-**  
17 **esses.**

18 **(b) Approval by the Government of**  
19 **the United States in accordance with its**  
20 **constitutional processes.**

21 **Article II**

22 **Conference and Dispute Resolution**

23 **Section 421**

24 **The Government of the United States**  
25 **shall confer promptly at the request of the**

1 **Government of the Republic of the Marshall**  
2 **Islands and that Government shall confer**  
3 **promptly at the request of the Government of**  
4 **the United States on matters relating to the**  
5 **provisions of this Compact, as amended, or of**  
6 **its related agreements.**

7 **Section 422**

8 **In the event the Government of the**  
9 **United States or the Government of the Re-**  
10 **public of the Marshall Islands, after confer-**  
11 **ring pursuant to section 421, determines that**  
12 **there is a dispute and gives written notice**  
13 **thereof, the two Governments shall make a**  
14 **good faith effort to resolve the dispute be-**  
15 **tween themselves.**

16 **Section 423**

17 **If a dispute between the Government of**  
18 **the United States and the Government of the**  
19 **Republic of the Marshall Islands cannot be re-**  
20 **solved within 90 days of written notification**  
21 **in the manner provided in section 422, either**  
22 **party to the dispute may refer it to arbitra-**  
23 **tion in accordance with section 424.**

24 **Section 424**

1       Should a dispute be referred to arbitra-  
2       tion as provided for in section 423, an Arbitra-  
3       tion Board shall be established for the pur-  
4       pose of hearing the dispute and rendering a  
5       decision which shall be binding upon the two  
6       parties to the dispute unless the two parties  
7       mutually agree that the decision shall be advi-  
8       sory. Arbitration shall occur according to the  
9       following terms:

10           (a) An Arbitration Board shall consist  
11       of a Chairman and two other members,  
12       each of whom shall be a citizen of a party  
13       to the dispute. Each of the two Govern-  
14       ments that is a party to the dispute shall  
15       appoint one member to the Arbitration  
16       Board. If either party to the dispute does  
17       not fulfill the appointment requirements  
18       of this section within 30 days of referral  
19       of the dispute to arbitration pursuant to  
20       section 423, its member on the Arbitra-  
21       tion Board shall be selected from its own  
22       standing list by the other party to the  
23       dispute. Each Government shall maintain  
24       a standing list of 10 candidates. The par-  
25       ties to the dispute shall jointly appoint a



1       Chairman within 15 days after selection  
2       of the other members of the Arbitration  
3       Board. Failing agreement on a Chairman,  
4       the Chairman shall be chosen by lot from  
5       the standing lists of the parties to the dis-  
6       pute within 5 days after such failure.

7           (b) Unless otherwise provided in this  
8       Compact, as amended, or its related  
9       agreements, the Arbitration Board shall  
10      have jurisdiction to hear and render its  
11      final determination on all disputes aris-  
12      ing exclusively under Articles I, II, III, IV  
13      and V of Title One, Title Two, Title Four,  
14      and their related agreements.

15          (c) Each member of the Arbitration  
16      Board shall have one vote. Each decision  
17      of the Arbitration Board shall be reached  
18      by majority vote.

19          (d) In determining any legal issue, the  
20      Arbitration Board may have reference to  
21      international law and, in such reference,  
22      shall apply as guidelines the provisions  
23      set forth in Article 38 of the Statute of  
24      the International Court of Justice.

1           (e) The Arbitration Board shall adopt  
2       such rules for its proceedings as it may  
3       deem appropriate and necessary, but  
4       such rules shall not contravene the provi-  
5       sions of this Compact, as amended. Un-  
6       less the parties provide otherwise by mu-  
7       tual agreement, the Arbitration Board  
8       shall endeavor to render its decision  
9       within 30 days after the conclusion of ar-  
10      guments. The Arbitration Board shall  
11      make findings of fact and conclusions of  
12      law and its members may issue dis-  
13      senting or individual opinions. Except as  
14      may be otherwise decided by the Arbitra-  
15      tion Board, one-half of all costs of the ar-  
16      bitration shall be borne by the Govern-  
17      ment of the United States and the re-  
18      mainder shall be borne by the Govern-  
19      ment of the Republic of the Marshall Is-  
20      lands.

### 21                           Article III

### 22                           Amendment

#### 23   Section 431

24       The provisions of this Compact, as amend-  
25   ed, may be further amended by mutual agree-

1 ment of the Government of the United States  
2 and the Government of the Republic of the  
3 Marshall Islands, in accordance with their re-  
4 spective constitutional processes.

#### 5 Article IV

#### 6 Termination

##### 7 Section 441

8 This Compact, as amended, may be termi-  
9 nated by mutual agreement of the Govern-  
10 ment of the Republic of the Marshall Islands  
11 and the Government of the United States, in  
12 accordance with their respective constitu-  
13 tional processes. Such mutual termination of  
14 this Compact, as amended, shall be without  
15 prejudice to the continued application of sec-  
16 tion 451 of this Compact, as amended, and the  
17 provisions of the Compact, as amended, set  
18 forth therein.

##### 19 Section 442

20 Subject to section 452, this Compact, as  
21 amended, may be terminated by the Govern-  
22 ment of the United States in accordance with  
23 its constitutional processes. Such termination  
24 shall be effective on the date specified in the  
25 notice of termination by the Government of

1 the United States but not earlier than six  
2 months following delivery of such notice. The  
3 time specified in the notice of termination  
4 may be extended. Such termination of this  
5 Compact, as amended, shall be without preju-  
6 dice to the continued application of section  
7 452 of this Compact, as amended, and the pro-  
8 visions of the Compact, as amended, set forth  
9 therein.

10 **Section 443**

11       This Compact, as amended, shall be termi-  
12 nated by the Government of the Republic of  
13 the Marshall Islands, pursuant to its constitu-  
14 tional processes, subject to section 453 if the  
15 people represented by that Government vote  
16 in a plebiscite to terminate the Compact. The  
17 Government of the Republic of the Marshall  
18 Islands shall notify the Government of the  
19 United States of its intention to call such a  
20 plebiscite, which shall take place not earlier  
21 than three months after delivery of such no-  
22 tice. The plebiscite shall be administered by  
23 the Government of the Republic of the Mar-  
24 shall Islands in accordance with its constitu-  
25 tional and legislative processes, but the Gov-

1 ernment of the United States may send its  
2 own observers and invite observers from a  
3 mutually agreed party. If a majority of the  
4 valid ballots cast in the plebiscite favors ter-  
5 mination, the Government of the Republic of  
6 the Marshall Islands shall, upon certification  
7 of the results of the plebiscite, give notice of  
8 termination to the Government of the United  
9 States, such termination to be effective on the  
10 date specified in such notice but not earlier  
11 than three months following the date of deliv-  
12 ery of such notice. The time specified in the  
13 notice of termination may be extended.

## 14 Article V

### 15 Survivability

#### 16 Section 451

17 (a) Should termination occur pursuant to  
18 section 441, economic and other assistance by  
19 the Government of the United States shall  
20 continue only if and as mutually agreed by  
21 the Governments of the United States and the  
22 Republic of the Marshall Islands, and in ac-  
23 cordance with the countries' respective con-  
24 stitutional processes.

1       **(b) In view of the special relationship of**  
2 **the United States and the Republic of the**  
3 **Marshall Islands, as reflected in subsections**  
4 **(b) and (c) of section 354 of this Compact, as**  
5 **amended, and the separate agreement en-**  
6 **tered into consistent with those subsections,**  
7 **if termination occurs pursuant to section 441**  
8 **prior to the twentieth anniversary of the ef-**  
9 **fective date of this Compact, as amended, the**  
10 **United States shall continue to make con-**  
11 **tributions to the Trust Fund described in sec-**  
12 **tion 216 of this Compact, as amended.**

13       **(c) In view of the special relationship of**  
14 **the United States and the Republic of the**  
15 **Marshall Islands described in subsection (b)**  
16 **of this section, if termination occurs pursuant**  
17 **to section 441 following the twentieth anni-**  
18 **versary of the effective date of this Compact,**  
19 **as amended, the Republic of the Marshall Is-**  
20 **lands shall be entitled to receive proceeds**  
21 **from the Trust Fund described in section 216**  
22 **of this Compact, as amended, in the manner**  
23 **described in those provisions and the Trust**  
24 **Fund Agreement.**

25 **Section 452**

1       **(a) Should termination occur pursuant to**  
2 **section 442 prior to the twentieth anniversary**  
3 **of the effective date of this Compact, as**  
4 **amended, the following provisions of this**  
5 **amended Compact shall remain in full force**  
6 **and effect until the twentieth anniversary of**  
7 **the effective date of this Compact, as amend-**  
8 **ed, and thereafter as mutually agreed:**

9           **(1) Article VI and sections 172, 173,**  
10       **176 and 177 of Title One;**

11           **(2) Article One and sections 232 and**  
12       **234 of Title Two;**

13           **(3) Title Three; and**

14           **(4) Articles II, III, V and VI of Title**  
15       **Four.**

16       **(b) Should termination occur pursuant to**  
17 **section 442 before the twentieth anniversary**  
18 **of the effective date of this Compact, as**  
19 **amended:**

20           **(1) Except as provided in paragraph**  
21       **(2) of this subsection and subsection (c)**  
22       **of this section, economic and other assist-**  
23       **ance by the United States shall continue**  
24       **only if and as mutually agreed by the**

1       **Governments of the United States and**  
2       **the Republic of the Marshall Islands.**

3           **(2) In view of the special relationship**  
4       **of the United States and the Republic of**  
5       **the Marshall Islands, as reflected in sub-**  
6       **sections (b) and (c) of section 354 of this**  
7       **Compact, as amended, and the separate**  
8       **agreement regarding mutual security,**  
9       **and the Trust Fund Agreement, the**  
10       **United States shall continue to make con-**  
11       **tributions to the Trust Fund described in**  
12       **section 216 of this Compact, as amended,**  
13       **in the manner described in the Trust**  
14       **Fund Agreement.**

15       **(c) In view of the special relationship of**  
16       **the United States and the Republic of the**  
17       **Marshall Islands, as reflected in subsections**  
18       **354(b) and (c) of this Compact, as amended,**  
19       **and the separate agreement regarding mutual**  
20       **security, and the Trust Fund Agreement, if**  
21       **termination occurs pursuant to section 442**  
22       **following the twentieth anniversary of the ef-**  
23       **fective date of this Compact, as amended, the**  
24       **Republic of the Marshall Islands shall con-**  
25       **tinue to be eligible to receive proceeds from**



1 the Trust Fund described in section 216 of  
2 this Compact, as amended, in the manner de-  
3 scribed in those provisions and the Trust  
4 Fund Agreement.

5 **Section 453**

6 (a) Should termination occur pursuant to  
7 section 443 prior to the twentieth anniversary  
8 of the effective date of this Compact, as  
9 amended, the following provisions of this  
10 Compact, as amended, shall remain in full  
11 force and effect until the twentieth anniver-  
12 sary of the effective date of this Compact, as  
13 amended, and thereafter as mutually agreed:

14 (1) Article VI and sections 172, 173,  
15 176 and 177 of Title One;

16 (2) Sections 232 and 234 of Title Two;

17 (3) Title Three; and

18 (4) Articles II, III, V and VI of Title  
19 Four.

20 (b) Upon receipt of notice of termination  
21 pursuant to section 443, the Government of  
22 the United States and the Government of the  
23 Republic of the Marshall Islands shall  
24 promptly consult with regard to their future  
25 relationship. Except as provided in sub-

1 sections (c) and (d) of this section, these con-  
2 sultations shall determine the level of eco-  
3 nomic and other assistance, if any, which the  
4 Government of the United States shall pro-  
5 vide to the Government of the Republic of the  
6 Marshall Islands for the period ending on the  
7 twentieth anniversary of the effective date of  
8 this Compact, as amended, and for any period  
9 thereafter, if mutually agreed.

10 (c) In view of the special relationship of  
11 the United States and the Republic of the  
12 Marshall Islands, as reflected in subsections  
13 354(b) and (c) of this Compact, as amended,  
14 and the separate agreement regarding mutual  
15 security, and the Trust Fund Agreement, if  
16 termination occurs pursuant to section 443  
17 prior to the twentieth anniversary of the ef-  
18 fective date of this Compact, as amended, the  
19 United States shall continue to make con-  
20 tributions to the Trust Fund described in sec-  
21 tion 216 of this Compact, as amended.

22 (d) In view of the special relationship of  
23 the United States and the Republic of the  
24 Marshall Islands, as reflected in subsections  
25 354(b) and (c) of this Compact, as amended,

1 and the separate agreement regarding mutual  
2 security, and the Trust Fund Agreement, if  
3 termination occurs pursuant to section 443  
4 following the twentieth anniversary of the ef-  
5 fective date of this Compact, as amended, the  
6 Republic of the Marshall Islands shall con-  
7 tinue to be eligible to receive proceeds from  
8 the Trust Fund described in section 216 of  
9 this Compact, as amended, in the manner de-  
10 scribed in those provisions and the Trust  
11 Fund Agreement.

12 **Section 454**

13 Notwithstanding any other provision of  
14 this Compact, as amended:

15 (a) The Government of the United  
16 States reaffirms its continuing interest in  
17 promoting the economic advancement  
18 and budgetary self-reliance of the people  
19 of the Republic of the Marshall Islands.

20 (b) The separate agreements referred  
21 to in Article II of Title Three shall remain  
22 in effect in accordance with their terms.

23 **Article VI**

24 **Definition of Terms**

25 **Section 461**

1       **For the purpose of this Compact, as**  
2 **amended, only, and without prejudice to the**  
3 **views of the Government of the United States**  
4 **or the Government of the Republic of the Mar-**  
5 **shall Islands as to the nature and extent of the**  
6 **jurisdiction of either of them under inter-**  
7 **national law, the following terms shall have**  
8 **the following meanings:**

9           **(a) “Trust Territory of the Pacific Is-**  
10 **lands” means the area established in the**  
11 **Trusteeship Agreement consisting of the**  
12 **former administrative districts of Kosrae,**  
13 **Yap, Ponape, the Marshall Islands and**  
14 **Truk as described in Title One, Trust Ter-**  
15 **ritory Code, section 1, in force on Janu-**  
16 **ary 1, 1979. This term does not include**  
17 **the area of Palau or the Northern Mar-**  
18 **iana Islands.**

19           **(b) “Trusteeship Agreement” means**  
20 **the agreement setting forth the terms of**  
21 **trusteeship for the Trust Territory of the**  
22 **Pacific Islands, approved by the Security**  
23 **Council of the United Nations April 2,**  
24 **1947, and by the United States July 18,**

1       1947, entered into force July 18, 1947, 61  
2       Stat. 3301, T.I.A.S. 1665, 8 U.N.T.S. 189.

3           (c) “The Republic of the Marshall Is-  
4       lands” and “the Federated States of Mi-  
5       cronesia” are used in a geographic sense  
6       and include the land and water areas to  
7       the outer limits of the territorial sea and  
8       the air space above such areas as now or  
9       hereafter recognized by the Government  
10      of the United States.

11          (d) “Compact” means the Compact of  
12      Free Association Between the United  
13      States and the Federated States of Micro-  
14      nesia and the Marshall Islands, that was  
15      approved by the United States Congress  
16      in section 201 of Public Law 99-239 (Jan.  
17      14, 1986) and went into effect with re-  
18      spect to the Republic of the Marshall Is-  
19      lands on October 21, 1986.

20          (e) “Compact, as amended” means the  
21      Compact of Free Association Between the  
22      United States and the Republic of the  
23      Marshall Islands, as amended. The effec-  
24      tive date of the Compact, as amended,  
25      shall be on a date to be determined by

1       the President of the United States, and  
2       agreed to by the Government of the Re-  
3       public of the Marshall Islands, following  
4       formal approval of the Compact, as  
5       amended, in accordance with section 411  
6       of this Compact, as amended.

7           (f) “Government of the Republic of  
8       the Marshall Islands” means the Govern-  
9       ment established and organized by the  
10      Constitution of the Republic of the Mar-  
11      shall Islands including all the political  
12      subdivisions and entities comprising that  
13      Government.

14          (g) “Government of the Federated  
15      States of Micronesia” means the Govern-  
16      ment established and organized by the  
17      Constitution of the Federated States of  
18      Micronesia including all the political sub-  
19      divisions and entities comprising that  
20      Government.

21          (h) The following terms shall be de-  
22      fined consistent with the 1978 Edition of  
23      the Radio Regulations of the Inter-  
24      national Telecommunications as follows:

1           (1) **“Radiocommunication” means**  
2           **telecommunication by means of radio**  
3           **waves.**

4           (2) **“Station” means one or more**  
5           **transmitters or receivers or a com-**  
6           **bination of transmitters and receiv-**  
7           **ers, including the accessory equip-**  
8           **ment, necessary at one location for**  
9           **carrying on a radiocommunication**  
10          **service, or the radio astronomy serv-**  
11          **ice.**

12          (3) **“Broadcasting Service” means**  
13          **a radiocommunication service in**  
14          **which the transmissions are intended**  
15          **for direct reception by the general**  
16          **public. This service may include**  
17          **sound transmissions, television trans-**  
18          **missions or other types of trans-**  
19          **mission.**

20          (4) **“Broadcasting Station” means**  
21          **a station in the broadcasting service.**

22          (5) **“Assignment (of a radio fre-**  
23          **quency or radio frequency channel)”**  
24          **means an authorization given by an**  
25          **administration for a radio station to**

1           use a radio frequency or radio fre-  
2           quency channel under specified con-  
3           ditions.

4           (6) “Telecommunication” means  
5           any transmission, emission or recep-  
6           tion of signs, signals, writings, images  
7           and sounds or intelligence of any na-  
8           ture by wire, radio, optical or other  
9           electromagnetic systems.

10          (i) “Military Areas and Facilities”  
11         means those areas and facilities in the  
12         Republic of the Marshall Islands reserved  
13         or acquired by the Government of the Re-  
14         public of the Marshall Islands for use by  
15         the Government of the United States, as  
16         set forth in the separate agreements re-  
17         ferred to in section 321.

18          (j) “Tariff Schedules of the United  
19         States” means the Tariff Schedules of the  
20         United States as amended from time to  
21         time and as promulgated pursuant to  
22         United States law and includes the Tariff  
23         Schedules of the United States Annotated  
24         (TSUSA), as amended.



1           (k) “Vienna Convention on Diplo-  
2           matic Relations” means the Vienna Con-  
3           vention on Diplomatic Relations, done  
4           April 18, 1961, 23 U.S.T. 3227, T.I.A.S.  
5           7502, 500 U.N.T.S. 95.

6   **Section 462**

7           (a) The Government of the United States  
8           and the Government of the Republic of the  
9           Marshall Islands previously have concluded  
10          agreements, which shall remain in effect and  
11          shall survive in accordance with their terms,  
12          as follows:

13               (1) Agreement Between the Govern-  
14               ment of the United States and the Gov-  
15               ernment of the Marshall Islands for the  
16               Implementation of Section 177 of the  
17               Compact of Free Association;

18               (2) Agreement Between the Govern-  
19               ment of the United States and the Gov-  
20               ernment of the Marshall Islands by Per-  
21               sons Displaced as a Result of the United  
22               States Nuclear Testing Program in the  
23               Marshall Islands;

24               (3) Agreement Between the Govern-  
25               ment of the United States and the Gov-

1        **ernment of the Marshall Islands Regard-**  
2        **ing the Resettlement of Enjebi Island;**

3            **(4) Agreement Concluded Pursuant to**  
4        **Section 234 of the Compact; and**

5            **(5) Agreement Between the Govern-**  
6        **ment of the United States and the Gov-**  
7        **ernment of the Marshall Islands Regard-**  
8        **ing Mutual Security Concluded Pursuant**  
9        **to Sections 321 and 323 of the Compact of**  
10       **Free Association.**

11       **(b) The Government of the United States**  
12       **and the Government of the Republic of the**  
13       **Marshall Islands shall conclude prior to the**  
14       **date of submission of this Compact to the leg-**  
15       **islatures of the two countries, the following**  
16       **related agreements which shall come into ef-**  
17       **fect on the effective date of this Compact, as**  
18       **amended, and shall survive in accordance**  
19       **with their terms, as follows:**

20            **(1) Federal Programs and Services**  
21        **Agreement Between the Government of**  
22        **the United States of America and the**  
23        **Government of the Republic of the Mar-**  
24        **shall Islands Concluded Pursuant to Arti-**  
25        **cle III of Title One, Article II of Title Two**

1       **(including Section 222), and Section 231**  
2       **of the Compact of Free Association, as**  
3       **Amended, which include:**

4               **(i) Postal Services and Related**  
5       **Programs;**

6               **(ii) Weather Services and Related**  
7       **Programs;**

8               **(iii) Civil Aviation Safety Service**  
9       **and Related Programs;**

10              **(iv) Civil Aviation Economic Serv-**  
11       **ices and Related Programs;**

12              **(v) United States Disaster Pre-**  
13       **paredness and Response Services and**  
14       **Related Programs; and**

15              **(vi) Telecommunications Services**  
16       **and Related Programs.**

17       **(2) Agreement Between the Govern-**  
18       **ment of the United States of America and**  
19       **the Government of the Republic of the**  
20       **Marshall Islands on Extradition, Mutual**  
21       **Assistance in Law Enforcement Matters**  
22       **and Penal Sanctions Concluded Pursuant**  
23       **to Section 175 (a) of the Compact of Free**  
24       **Association, as Amended;**

1           **(3) Agreement Between the Govern-**  
2           **ment of the United States of America and**  
3           **the Government of the Republic of the**  
4           **Marshall Islands on Labor Recruitment**  
5           **Concluded Pursuant to Section 175 (b) of**  
6           **the Compact of Free Association, as**  
7           **Amended;**

8           **(4) Agreement Concerning Proce-**  
9           **dures for the Implementation of United**  
10          **States Economic Assistance Provided in**  
11          **the Compact, as Amended, of Free Asso-**  
12          **ciation Between the Government of the**  
13          **United States of America and the Govern-**  
14          **ment of the Republic of the Marshall Is-**  
15          **lands;**

16          **(5) Agreement Between the Govern-**  
17          **ment of the United States of America and**  
18          **the Government of the Republic of the**  
19          **Marshall Islands Implementing Section**  
20          **216 and Section 217 of the Compact, as**  
21          **Amended, Regarding a Trust Fund;**

22          **(6) Agreement Regarding the Military**  
23          **Use and Operating Rights of the Govern-**  
24          **ment of the United States in the Republic**  
25          **of the Marshall Islands Concluded Pursu-**

1        **ant to Sections 321 and 323 of the Com-**  
2        **pact of Free Association, as Amended;**  
3        **and,**

4            **(7) Status of Forces Agreement Be-**  
5        **tween the Government of the United**  
6        **States of America and the Government of**  
7        **the Republic of the Marshall Islands Con-**  
8        **cluded Pursuant to Section 323 of the**  
9        **Compact of Free Association, as Amend-**  
10       **ed.**

11 **Section 463**

12        **(a) Except as set forth in subsection (b) of**  
13 **this section, any reference in this Compact, as**  
14 **amended, to a provision of the United States**  
15 **Code or the Statutes at Large of the United**  
16 **States constitutes the incorporation of the**  
17 **language of such provision into this Compact,**  
18 **as amended, as such provision was in force on**  
19 **the effective date of this Compact, as amend-**  
20 **ed.**

21        **(b) Any reference in Article IV and VI of**  
22 **Title One, and Sections 174, 175, 178 and 342**  
23 **to a provision of the United States Code or the**  
24 **Statutes at Large of the United States or to**  
25 **the Privacy Act, the Freedom of Information**

1 Act, the Administrative Procedure Act or the  
2 Immigration and Nationality Act constitutes  
3 the incorporation of the language of such pro-  
4 vision into this Compact, as amended, as such  
5 provision was in force on the effective date of  
6 this Compact, as amended, or as it may be  
7 amended thereafter on a non-discriminatory  
8 basis according to the constitutional proc-  
9 esses of the United States.

## 10 Article VII

### 11 Concluding Provisions

#### 12 Section 471

13 Both the Government of the United States  
14 and the Government of the Republic of the  
15 Marshall Islands shall take all necessary  
16 steps, of a general or particular character, to  
17 ensure, no later than the entry into force date  
18 of this Compact, as amended, the conformity  
19 of its laws, regulations and administrative  
20 procedures with the provisions of this Com-  
21 pact, as amended, or, in the case of subsection  
22 (d) of section 141, as soon as reasonably pos-  
23 sible thereafter.

#### 24 Section 472

1       **This Compact, as amended, may be ac-**  
2 **cepted, by signature or otherwise, by the Gov-**  
3 **ernment of the United States and the Govern-**  
4 **ment of the Republic of the Marshall Islands.**

5       **IN WITNESS WHEREOF, the undersigned,**  
6 **duly authorized, have signed this Compact of**  
7 **Free Association, as amended, which shall**  
8 **enter into force upon the exchange of diplo-**  
9 **matic notes by which the Government of the**  
10 **United States of America and the Government**  
11 **of the Republic of the Marshall Islands inform**  
12 **each other about the fulfillment of their re-**  
13 **spective requirements for entry into force.**

14       **DONE at Majuro, Republic of the Marshall**  
15 **Islands, in duplicate, this thirtieth (30) day of**  
16 **April, 2003, each text being equally authentic.**

**Union Calendar No. 155**

108TH CONGRESS  
1ST SESSION

## **H. J. RES. 63**

**[Report No. 108–262, Parts I, II, and III]**

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### **JOINT RESOLUTION**

To approve the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Federated States of Micronesia”, and the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands”, and otherwise to amend Public Law 99–239, and to appropriate for the purposes of amended Public Law 99–239 for fiscal years ending on or before September 30, 2023, and for other purposes.

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SEPTEMBER 4, 2003

Reported from the Committee on International Relations  
with an amendment

SEPTEMBER 15, 2003

Reported from the Committee on Resources with an  
amendment

SEPTEMBER 15, 2003

Reported from the Committee on the Judiciary with an  
amendment; committed to the Committee of the Whole  
House on the State of the Union and ordered to be  
printed